

EUROPEAN NEWS

Dissolution clears way for Italian general election

BY PAUL BETTS IN ROME

PRESIDENT Sandro Pertini yesterday dissolved Italy's Parliament and cleared the way for an early general election. Polling is expected to take place on July 9 and 10, at the same time as direct elections to the European Parliament.

again yesterday by Communist insistence on direct participation in any new Government of "national unity" and by equally firm Christian Democrat rejection of the idea of Communist Cabinet Ministers.

Communists appear to have regained some of the ground lost on the left. Their alliance with the Christian Democrats provoked increasing tension and discontent in the party rank-and-file.

Dutch economy 'very vulnerable'

BY CHARLES BATCHELOR IN AMSTERDAM

THE DUTCH economy is "very vulnerable," with hourly wage costs 35 per cent higher than in the rest of the EEC.

industrial production, and stabilisation of unemployment at about 210,000. But the size of the Government financing deficit, now around 6 per cent of national income, gives the authorities little room for manoeuvre, the planning office warns.

four per cent last year. This forecast, based on the assumption that currency rates remain stable, does not take into account the extra inflationary effect of the recent oil price increase.

Report attacks wasted state aid

BY OUR AMSTERDAM CORRESPONDENT

GOVERNMENT aid to Dutch industry is often wasted because of a lack of supervision or because the wrong companies are supported, the General Audit Office says in its annual review of state spending.

plant benefit to people who had since gone back to work. One textile factory has been given more than Fl 25m (\$6m) over the past five years and there is still no certainty that the company can be saved, the Audit Office says.

Ministers and State Secretaries claimed hotel, meal and travelling expenses which they incurred during last year's local and regional election campaigns, although these costs should have been met from party funds, the Office says.

IATA delays fares move

BY BRIJ KHINDARIA IN GENEVA

THE International Air Transport Association (IATA) has put off for another decision on passenger fare increases and higher freight charges following last week's oil price rises announced by the Organisation of Petroleum Exporting Countries.

fierce competition among the scheduled airlines. The American airlines are still arguing for the maximum possible leeway for them to operate their own fares, but the Europeans have toughened their opposition and negotiations yesterday were said to be at a particularly delicate stage.

Officials said an across-the-board fare increase of about 5 per cent was likely to make up for the impact of the 9 per cent oil price rise. The size of fare increases would vary significantly according to regions and sectors.



M. Wilfried Martens: naming a Cabinet soon

Five-party coalition for Belgium

By Margaret Van Hattem in Brussels

BELGIUM'S six months under a caretaker government are to end this week with the formation of a new five-party coalition.

Compromise

The coalition, founded on a compromise drawn up by the previous formatore and caretaker Prime Minister, M. Paul Vanden Boeynants, will include five of the six members of the coalition of M. Leo Tindemans, which fell in October, the exception is the Flemish National Party, the Volksunie.

Irish currency dealings at risk

BY STEWART DALBY IN DUBLIN

COMPLICATIONS in Ireland's infant sterling-punt foreign exchange market are in prospect following threats by the Irish Bank Officials' Association (IBOA) to take industrial action unless its 15,000 members obtain compensation for the extra work involved.

EEC spending overhaul likely

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT IN BRUSSELS

MOST EEC Governments appear to be broadly in favour of reducing the overwhelming proportion of the Community budget absorbed by agriculture and increasing other types of spending.

Henry Ford in talks with Giscard

BY TERRY DODSWORTH IN PARIS

FRENCH hopes of attracting Ford's proposed new European car assembly plant to one of its depressed steel regions were kept alive yesterday by talks between President Giscard d'Estaing and Mr. Henry Ford II, chairman of the U.S.-based group.

factory to Lorraine, the worst-hit northern steel-making zone, would be of great political value to the French Government, which is under heavy pressure because of rising unemployment.

plant, which is expected to cost at least \$1bn. David Satter reports from Moscow: The French President will start his deferred visit to Moscow on April 26, the Soviet news agency, Tass, announced yesterday.

Mitterrand beats off leadership challenge

BY ROBERT MAUTHNER IN PARIS

M. FRANCOIS MITTERRAND, whose position as leader of the French Socialist Party has been increasingly threatened over the past few months, scored a significant victory over his rivals at a meeting on Sunday.

two previous Presidential elections—against Gen. de Gaulle in 1965 and against M. Giscard d'Estaing in 1974—M. Mitterrand is far from being every Socialist's favourite choice for the nomination.

these elections has been presented by M. Mitterrand as reflecting wide support for his policy of persevering with the Union of the Left. This is despite both the general election defeat it suffered last year and the continued attacks by the Communists on their erstwhile partners.



M. Francois Mitterrand

With 40 per cent of regional delegates voting for the policy resolution due to be submitted by M. Mitterrand to the Socialist Party's national congress next weekend, compared with only 20 per cent for that of M. Michel Rocard, his nearest rival, the party leader now appears to be assured of re-election.

The only other real contender within the party, M. Rocard, 13 years' M. Mitterrand's junior, is still considered by many to lack the weight and popular support to beat M. Giscard d'Estaing, who will, almost certainly, run for a second term.

But the meeting of regional delegates two days ago showed that the Socialist party is still seriously split into three or four main factions. To win the backing of an absolute majority of the party at its congress next weekend, M. Mitterrand will have the almost impossible task of trying to reconcile the views of his own supporters either with the Social Democrat aspirations of the Rocard group, or with the anti-European and neo-Communist policies of the Left-wing of his party.

E. Europe plays down nuclear leak

BY LESLIE COLLETT IN BERLIN

THE GOVERNMENT Press in Communist countries is playing down the emergency at the nuclear power station near Harrisburg, Pennsylvania. This is being done so as not to cause unrest among East Europeans over Soviet-designed nuclear electricity stations.

Some 45.9 per cent of Ireland's imports still come from the UK, approximately half consumer goods, particularly consumer durables. The rest is capital goods or raw materials.

It says a "technically inadequate and defective cooling system" is the cause of an "accident" in a new nuclear station, according to U.S. scientists. The report adds that the scientists are working to get the "resulting symptoms" under control.

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Jimmy Burns, in Lisbon, on a new political group

PM backs 'broad alliance'

PRIME MINISTER Carlos Mota Pinto, of Portugal has given his public support to the formation of a new political group which would by-pass party divisions and present a broad "democratic alliance."

Speaking in a weekend radio interview, Sr. Mota Pinto said that the lack of consensus among Portugal's main political parties was working against a stable democratic future. He suggested that the new group, which was being "generated by the present political crisis," could include a wide social and political spectrum ranging from Christian Democrats to the "democratic Left."

Although he did not expand his remarks, they have coincided significantly with mounting and apparently well-founded speculation that a new political grouping is being formed.

Sr. Mota Pinto did not cast any light on the suggestion that, in the event of his budget proposals being defeated for the second time, in Parliament, he himself might be preside over such an alliance along the lines of Spain's UCD, which is led by the Prime Minister, Sr. Adolfo Suarez.

The idea of a "broad democratic union" is reliably believed, however to have the backing of certain sectors of the small Christian Democratic Party and of both present and former members of the two main political parties, the Socialists and the Social Democrat Party (PSD). These individuals feel themselves alienated from the uncompromising positions struck by their party leadership.

In an interview published yesterday Sr. Mario Soares, the Socialist leader, said that

his party would only consider joining such an alliance if the next general election failed to produce a clear majority. He suggested that a new political grouping could threaten the country's parliamentary system.

Meanwhile, the PSD appears to be deeply divided following the unexpectedly tough opposition by Sr. Francisco sa Carneiro, the party leader against the Government's economic policies.

During a weekend meeting of the party's national council, the PSD leadership publicly condemned its own parliamentary group for breaking with party discipline during the crucial budget debate. Party PSD deputies of the party's parliamentary representation of 73 walked out of parliament just before the final vote was taken last month. Of those remaining in the chamber



Sr. Carlos Mota Pinto

five voted for the government. Among a number of PSD resignations expected within the next few days is that of law professor Antonio Sousa Franco. Prof. Sousa Franco briefly led the party last year in an attempt to steer it in a more moderate direction.

Why is the yen out of step?

BY RICHARD C. HANSON IN TOKYO

THE SHARP drop in the value of the yen recently will give little for Japan or its major trading partners to cheer about if it continues. At home, the decline threatens to accelerate the pace of inflation and slow economic growth. Overseas, it means Japanese products could regain lost competitive export strength while imports from others become less attractive.

The yen began the week in Tokyo with a sharp fall to ¥211.10 per U.S. dollar at the close yesterday from ¥209.30 on Friday, despite fairly stiff (if unconvincing) support from the Bank of Japan. The yen, in fact, has become in recent weeks the odd-currency-out in world exchange markets. While other strong currencies have held their own, the yen is at its lowest levels in nine and a-half months.

The immediate cause is that oil is now considered bearish for the yen, increasingly so since mid-March. The underlying condition, however, is that Japan has been running large deficits in its overall international balance of payments for six months (if March turns out to be a deficit month as expected).

Japanese monetary authorities have reacted to the decline in the yen's value by selling huge amounts of the foreign currency reserves which were built up through intervention in support of the dollar during most of last year.

Those reserves increased to an all-time high of \$33.109bn

by January this year from \$23.375bn in January 1978 (about 30 per cent of the increase was due to dollar buying intervention).

Since then, however, the Bank of Japan has sold about \$3.8bn. In March alone, the central bank dumped an estimated \$3.5bn on the Tokyo market causing a record dollar selling so far this year left for the entire October-March period a dollar shortage in Tokyo of about \$2.5bn.

This situation contrasts with what happened in the first nine months of 1978 when the balance of payments rolled up a surplus of \$7.3bn and the Ministry of Finance had to place about \$2.5bn with foreign exchange

It was also the only weapon Mr. Fukuda had to hold down inflation (a higher yen decreases the cost of imported goods).

It could be argued that the depreciation of recent days will once again provide the Government with a situation in which appreciation could play a valuable role.

A projection of the trends in exports and imports for January and February indicates that for the calendar year the trade surplus could amount to about \$15bn, with exports up only slightly in dollars and imports gaining about 14.8 per cent.

This surplus is well below the \$24.8bn of 1978, but is still large enough to warrant further calls for action from Japan to reduce it. Another possibility is that exports generally will begin to accelerate, which will increase the surplus and put upward pressure on the yen.

The Government has few tools at its disposal at this moment to bring about a reversal of the yen's decline, direct intervention aside.

The Japanese press is full of speculation that the bank of Japan will soon raise its official discount rate to 4 per cent from 3.5 per cent. This would have little impact on the exchange market, however. A policy of tighter money could help the yen situation, but would also help to deflate the economy. The Government probably wants to avoid that possibility at least until the June summit meeting in Tokyo.

JAPANESE OVERALL BALANCE OF PAYMENTS COMPARED WITH PRIVATE ESTIMATES OF BANK OF JAPAN INTERVENTION IN THE TOKYO FOREIGN EXCHANGE MARKET SINCE JANUARY, 1978

Overall balance of payments	Bank of Japan intervention
January-March, 1978: Surplus \$4.944bn	\$6.9bn bought
April-June: Surplus \$632m	\$690m bought
July-September: Surplus \$1.645bn	\$2bn bought
October-December: Deficit \$1.331bn	\$2.7bn bought
January-March (estimated deficit \$2.2bn)	\$3.8bn sold

\$3.874bn drop in official reserves to a nine-month low of \$28.813bn at March 31.

The dollar selling is helpful in sopping up excess yen liquidity which in turn helps in holding down inflation, but it now appears that the central bank would have been wiser to begin drawing down its reserves earlier in January as the Bundesbank in Germany is reported to have done.

The combination of overall international payments deficit of \$3.066bn in the five months from October to February and \$2.7bn in intervention-buying in the fourth quarter last year, meant that even the massive

banks to keep them from entering the reserves. Buying intervention during those nine months totalled about \$9.5bn, from large importers in Japan, while exporters have not been forthcoming with dollars to exchange, may keep the U.S. currency in short supply for most of this month.

About two years ago, when the former Prime Minister, Mr. Takeo Fukuda, attended the London summit conference, the yen was still trading above ¥270 per dollar. This gave the Japanese Government a means of calming foreign criticism of Japanese trade surpluses by allowing the yen to appreciate.

Robert Graham, in Madrid, on Spain's local elections

Democracy reaches City Hall

FOR THE first time in 46 years Spaniards are today voting freely in municipal elections. These elections in 8,000 municipalities and county councils (diputaciones) for 89,000 councillors are the first attempt since Franco's death in November 1975 to introduce democracy at the local level.

The poll was originally postponed from October 1978 and since then has been subordinated first to the drawing up of a new constitution and then general elections. The March 1 general elections have diminished their political impact, which was the intention of Premier Adolfo Suarez. The strong showing of his Union de Centro Democratico (UCD), which obtained 188 seats out of 350 in the lower house, parliament is likely to limit the expected shift to the Socialists and Communists.

In each municipality the elections are for councillors who will then elect a mayor. The mayor, except in the big cities, receives expenses and only a nominal salary. Under Franco, the mayor was an appointee who was usually associated with the Movimiento, the all-embracing organisation through which political activity was channelled.

A local administration law of

His authority, governed by 1955, was strictly limited. He was effectively an extension of the executive arm of the Government controlling the municipal police, which worked closely with the local Guardia Civil. In theory the mayor still had to ask the Government

Prime Minister Adolfo Suarez yesterday took office for his third year as Premier, Reuter reports from Madrid. He is expected to name his Cabinet today.

representative, the Civil Governor, for permission to leave the town if he wished to do so for more than 15 days.

There is still a new Law of local government, but Sr. Suarez is committed to devolving greater responsibility and so the newly elected mayors are eventually expected to have a wholly different function—answerable to the local electorate and representing its interests in Madrid.

The parties on the Left are the strongest advocates of greater devolution, regarding continued tight control by the

central Government a major obstacle to renewing the vigour of the municipalities. They point out that unless pressed the UCD is unlikely to dilute the real authority of the Ministry of the Interior which operates through the network of Government-appointed Civil Governors that have the power to over-rule any local council decision.

The other means of control is through the Ministry of Finance since the municipalities have limited ability to raise funds and the system of rates applies to only selected items (like rubbish collection).

The main change resulting from the elections is expected to spring from alliances of the parties on the Left. Neither the Communists nor Socialists have agreed to a common platform during the campaign, but it is likely that alliances will evolve after the elections, especially to support candidates for mayor. Already two radical Left parties, the Spanish Workers Party (PTE) and the Revolutionary Workers Party (ORT) have joined forces and they could support a broad Left front, with significant political repercussions in the large cities.

The campaign has brightened the appalling state of most municipalities in Spain, an area where Franco paid least atten-



Sr. Adolfo Suarez

tion. Spain devotes only 3.2 per cent of GNP to local government spending, three times as little as the European Community's average. The worst affected are the 5,000-odd municipalities which have a population of less than 1,000. But the large cities, too, are little better off with public transport, housing, health and schooling all in need of urgent attention. Cities like Madrid and Barcelona have parlous financial positions and these two alone between them account for almost a quarter of the total municipal debt of \$3.8bn.

China tries to control new freedoms

BY COLINA McDUGALL

WALL POSTERS in Peking — now torn down — and the burgeoning Chinese demand for human rights have caught the attention of the outside world, but they are part of a much wider upsurge of popular feeling which that Peking leadership now finds unmanageable.

The political relaxation in the last half-year plus the long-suppressed desire for a higher standard of living, more variety of entertainment and a richer pattern of life, have brought out into the open many hitherto underground activities. These range from uninhibited political criticism to black marketing and even witchcraft, which the authorities are attempting to suppress.

Probably the most serious of all the problems is the questioning of the value of the

Socialist system. A party official in Zhejiang (Chekiang), in a long speech at the end of March condemning recent disturbances in Hangzhou (Hangchow), was forced to say outright that "only Socialism can save China... our purpose is to develop the Socialist economy and evolve into communism... we are Marxists."

While the present leadership is certainly reviewing the system to ensure that both peasants and workers get a better deal, it presumably has no intention of abandoning formal Marxism.

However, that an official should have to restate the position publicly shows how far debate has already gone.

Political dissatisfaction in the past few weeks has led to all kinds of troubles, local radio stations revealed. In Shanghai, people "created disturbances,

obstructed traffic, attacked officials and policemen, stormed Government offices and beat up public security police."

Dissatisfaction with material standards has led to crime, especially as the lessening of political control has provided more opportunity. Gangs in Canton forcibly boarded trains, stole and damaged export goods, stoned the police and disrupted railway traffic. In Hangzhou "criminal elements" committed numerous offences, went in for speculation and profiteering and ran gambling dens.

In Wuhan, gangs raiding at night, threatened peoples' lives and property. Pickpockets thrived in Changsha, and in Anbu, speculation, profiteering and superstitious practices were rife.

Among people starved of entertainment, the cinema has become doubly popular and the Shanghai Press recently inveighed against "tons who exploit the situation by selling one ticket for the price of two. 'Areas near cinemas have thus become underground markets for illicit transactions,' it said.

Chinese girls, rocking and rolling with foreigners in Peking—until they were carted away last week by the police—were widely reported abroad, but even in far away Changsha, young people were in trouble for dancing in the streets "which affected their production and study the next day."

Inevitably, even relatively harmless activities like dancing will be classified with the much more troublesome effect of liberalism which has proliferated in recent months.

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nesburg (3 times), 12 Kinshasa (twice), 13 Libreville (once), 14 Douala (once), 15 Lagos (3 times), 16 Accra (3 times), 17 Abidjan (twice), 18 Monrovia (twice), and 19 Dakar (3 times).

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OVERSEAS NEWS

WORLD TRADE NEWS

Erasmus commission clears South African Cabinet

BY QUENTIN PEEL IN JOHANNESBURG

A GOVERNMENT inquiry yesterday cleared all members of the South African Cabinet of having had prior knowledge of irregularities in the secret operations of the former Information Department or of secret State financing of the pro-Government newspaper, the Glazen.

The Commission's inquiry of the Bureau for State Security (BOSS), in creating its conclusions, which exonerates both Senator Owen Horwood, Finance Minister, and Mr. P. W. Botha, the present Prime Minister, to resign if it were proved that any Cabinet member had known of the Glazen project or other irregularities before last September.

This was "a highly secret project," Mr. Browne added. It was not made known to the Defence Department or the chief of the Defence Force, although the money was taken from the special defence account.

Tanzania jets raid Uganda again

BY LYNTON MCLAIN AND DAVID TONGE

TANZANIAN jets again struck into Uganda yesterday when they raided Jinja, about 50 miles east of Kampala. In the capital, a pall of smoke was seen rising from the industrial part of the city.

The Tanzanian Government has not announced the raids, but they are believed to be reprisals for the bombing of the Ugandan town of Mwanza last December.

and Sudanese troops who form his personal bodyguard. The presence of Libyan troops is keeping him in power, diplomats say.

Low-key Cairo visit for Begin

BY L. DANIEL IN CAIRO

THE AIR FORCE flight carrying Mr. Menahem Begin, Israel's Prime Minister, on his state visit to Egypt yesterday, arrived in a blisteringly hot and dusty Khamsin in the Egyptian reception was a good deal cooler.

with the rest of the Arab world are more than ever in crisis. Mr. Begin's visit is being kept low-key.

jet touched down and was removed immediately the official cars left to take the Israeli leader to a private lunch with President Anwar Sadat.

Investment key to success of Arab boycott on Egypt

THE BAGHDAD meeting's decision to ostracise Egypt threatens trade patterns, economic aid, investment and joint ventures established over decades. No matter how the Baghdad decisions on an economic boycott are interpreted, it will be difficult, even impossible, to unravel them all.

Egypt, with its population making up nearly half that of the Arab world, has been the leading beneficiary of loans from the first four of these institutions.

to assemble and then manufacture in its entirety the Swingfire anti-tank missile under a deal signed in 1977 and valued at more than \$40m.

Programme aid to Egypt for direct balance of payments support had been sharply reduced since the end of 1977, but at the same time improvements in Egypt's economy have made it less vital. Nevertheless Egypt will lose about \$50m a year which it had been receiving under agreements at the Khartoum and Rabat Arab summits.

The implications of the Baghdad decisions to ostracise Egypt in the Arab world are examined by JAMES BUXTON and RICHARD JOHNS.

Much more problematical is the more controversial one for the manufacture of the Franco-German Alpha jet on which agreement was initially reached last September but further progress had been held up because of the Egyptian-Israeli negotiations.

Soviet oil drilling deal for Finland

By Lance Keyworth in Helsinki

RAUMA-REPOLA has won an order to build three oil drilling vessels for a major Soviet oil and gas exploration project in the Arctic Sea. The order is valued at FM 200m (\$112m).

The first unit will be delivered in May 1981, and the other two by the end of 1982.

Semiconductor industry buoyant

By John Lloyd

CONTINUED-HIGH growth in the sales of integrated circuits is forecast by two consultants.

Madagascar power project

By John Walker in Stockholm

THE SWEDISH company Skanska Cement Europe's largest construction group has received an order valued at SKr 270m (\$37m) from Madagascar for the supply of electrical generating equipment.

Build up in aerospace order

New market for CFM-56 engines

By Dux Aerospace Correspondent

A MAJOR breakthrough into a big new world market for aeroplanes has been achieved by the joint French-American Snecma-General Electric CFM-56 engine, which is to be used by United Air Lines of the U.S. to re-engine its existing fleet of McDonnell Douglas DC-8 jet airliners.

The new CFM-56 is a more powerful engine, of 22,000 lbs thrust and upwards, and it is claimed to offer substantial improvements in noise levels and fuel consumption, making it suitable for use through to the end of this century.

EEC Council of Ministers Meeting

UK fears for textile industry

BY RHYD DAVID

FURTHER SAFEGUARDS for the textile industry are likely to be sought today by Britain when the EEC's stance at the GATT multilateral trade negotiations (the Tokyo Round) comes up for discussion at the Council of Ministers meeting in Luxembourg.

The UK textile industry has been engaged in a series of urgent meetings with ministers and officials over the past month at which they have been expressing concern at what is considered to be an over-generous response by the EEC towards the U.S. This could lead, the industry has been claiming, to a substantial increase in U.S. exports to Europe, causing substantial damage to the domestic industry.

Britain also is likely to press for an EEC assurance that action will be taken if the U.S. starts to flood EEC markets with textiles.

U.S. to build China trade centre

BY JOHN HOFFMANN IN PEKING

A CONSORTIUM of American building concerns will construct a giant trade complex three miles from the middle of Peking which will comprise a 40- to 50-storey office tower situated above a hotel, convention and shopping centre and apartment block for resident foreigners.

guards which have been built into the offers, including a delay until 1982 before the textile cuts will begin to take effect.

Industry leaders claim that the more attractive U.S. offers of tariff reductions have been made in products such as band-woven wool (in effect, the Harris Tweed industry) where expansion possibilities are

limited, and cashmere knitwear, where lack of fibre supply from China again makes increases in output difficult to achieve.

GATT package under scrutiny

BY BRIJ KHANDARIA IN GENEVA

THE EARLY conclusion of the Tokyo Round of the multilateral trade negotiations depends to a large extent on an appraisal of the package by the EEC's Council of Ministers meeting in Brussels today.

after consultation with the relevant exporters and clearance from a committee overseeing the code's application. The criteria for justification of such measures have also been tightened.

In practice, the proposed text allows for selective application of safeguard measures against imports from specific sources but does not permit unilateral action. The country taking safeguard action would not be obliged to simultaneously curb imports from sources which produce specific supplies against whom the action is directed.

The Community has now been told that it should not expect to have a Tokyo Round package without a safeguards code. The Community originally wanted to obtain a code allowing both unilateral and selective action.

high as 80 per cent, and in Brazil 205 per cent, while in some developing countries textile imports are effectively banned.

The other point is that the U.S. textile industry has been offered further non-tariff protection against imports and aid towards exports by the U.S. government, at a time when EEC tariff cuts could make it much more competitive in Europe.

Developing-country delegates say that the Community refused to discuss these other elements earlier, awaiting resolution of the dispute over selective and unilateral application.

Japanese talks on procurement complaints

TOKYO—Mr. Masayoshi Ohira, the Japanese Prime Minister, has called a special cabinet meeting for today to start work on a new proposal to present to the U.S. in response to an American demand that Japan allow foreign companies access to Japanese Government procurement contracts.

Optimism as Airbus sales soar

BY MICHAEL DUNNE, AEROSPACE CORRESPONDENT

THE LUFTHANSA order signed yesterday for 25 of the A-310 version of the European Airbus, worth DM 1.5bn (nearly \$400m), with an option on another 25 of the same aircraft, is the biggest single contract yet placed for the Airbus in any version.

fact that, with its existing 21 airline customers alone, there will be a market for close to 400 Airbuses as traffic grows and those airlines increase their fleets. With its customer base broadening all the time, Airbus Industrie believes that the 1,000 aircraft target is realistic.

come at the same time as a steady demand for other types of jets, including the new Boeing 737 and 767, the existing 737 short-range and 727 medium-range airliners, and the McDonnell-Douglas DC-9s and DC-10s, and Lockheed TriStars. Collectively, these developments, which added more than 700 new jets to the manufacturers' order books last year alone, confirm the belief that the long-awaited re-equipment time is now flowing strongly through the world's airlines.

United has announced a \$400m (£200m) modernisation programme for 30 of its DC-8 four-engine jet fleet, of which half will be spent on buying CFM-56 engines for the aircraft.

India and Spain are each discussing the purchase of up to six Sea Harriers, the new naval version of British Aerospace's Harrier jet.

Spain is also interested in supplying its "ski jump" ramp for assisting Sea Harriers at take off to the through-deck aircraft carrier which Spain is building. The plans for the ship were originally drawn up for the U.S. Navy but when the project was scrapped the plans were sold to Spain.

Sea Harrier sales talks

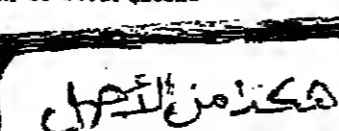
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The Spanish press has speculated that Spain might buy up to 250 of the Chieftain tanks originally designed for Iran.

So far, however, no-one has asked for the Rolls-Royce RB-211 engine. That company says that it is available if wanted, but there would be a heavy cost involved in the flight-development testing of an RB-211-powered Airbus which prospective customers so far have shown no inclination to meet.



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in 1978, is the first model of a new generation of Fiat automobiles; it puts together and sums up all the work done in recent years in technology and production plants, techniques, and planning and experimental methods.

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Fiat truck production is spread, through a sophisticated system of productive integration, over

a series of plants not only in Italy, but also in France and Germany. Moreover, important European construction firms have contributed to the development of Fiat factories in Italy for diesel engine production.

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At the same time, with other international firms, Fiat Engineering prepares and carries out

projects for the necessary infrastructures of developing countries.

Fiat-Allis constitutes one of the world's largest companies producing construction machinery, while Comau automated production systems and machine tools are used by Europe's and the world's main mechanical industries.

These then are the parts of the dialogue Fiat has helped to establish between Italy, Europe and the rest of the world, showing, by its commitment to progress, its own will to carry on.



AMERICAN NEWS

Democrat cleared of bribe charges



Mr. Otto Passman, a former Louisiana Congressman, was acquitted on charges of accepting illegal payments from a South Korean businessman, Mr. Tongsun Park. Reuter reports from Monroe, Louisiana, a district court jury also found Mr. Passman, of Monroe, not guilty on charges of conspiracy and tax evasion.

Mr. Passman, a Democrat who served in Congress for 30 years until he was defeated in 1976, headed the Foreign Operations Subcommittee of the House of Representatives Appropriations Committee.

The indictment stemmed from a Federal investigation into the so-called "Koreagate scandal" in which the businessman was alleged to have made illegal payments to Congressmen.

Canada candidates

Union Populaire, a party founded to fight for Quebec independence in the federal Canadian Parliament, has found candidates for the House of Commons in 14 constituencies, AP reports from Montreal. Mr. Henri Laberge, the party president, broke with the Parti Quebecois, which is in power in Quebec City, because it steers clear of federal politics.

Guyana gas search

Seagull International Exploration of Texas and Denis Mines of Canada have contracted to explore for oil and gas in a 4,390 sq mile area of Guyana's Continental Shelf, Mohamad Hamaludin reports from Georgetown.

Victims remembered

Jimmy Carter yesterday proclaimed April 28 and 29, the 34th anniversary of the liberation of the Dachau death camp, as days of remembrance.

Iowa dissidents push Kennedy for President

BY JUREK MARTIN, U.S. EDITOR, IN WASHINGTON

A GROUP of dissident Democrats in Iowa have banded together to promote the name of Senator Edward Kennedy for the party's Presidential nomination next year.

The Massachusetts Senator is dissociating himself from the effort, as he has from other draft movements that have sprung up in other States.

His official position remains that he expects President Carter to run again—and be re-elected—in 1980.

Iowa has an unusual significance in the U.S. electoral calendar. Its caucuses, due to be held next January, are the first national selection process.

In 1976, Mr. Carter, then very much an outside contender, made his first big stride to the White House by capturing more delegates than anyone else at the caucuses.

Given the clear internal dissatisfaction with Mr. Carter's record among Democrats, any early sign of weakness in caucuses or primaries next year will give the President's opponents heart.

Mr. Carter's startegists know this and are despatching his son, Mr. Chip Carter, to Iowa shortly, for some political fence-mending.

The two Democratic challengers who stick out a mile are Mr. Kennedy and Governor Jerry Brown of California—who is himself on the pre-campaign trail in New England this week, pushing his case for a constitutional amendment to balance the Budget.

Mr. Kennedy's denials of candidacy have to be taken seriously at present, though it is generally agreed that two conditions could get him into the race—a deep ideological rift with Mr. Carter over economic and social policies, and the fear that Mr. Brown might become the Democratic nominee.

Vice-Minister's visit

Li Yukui, China's Vice-Minister of Posts and Telecommunications, is visiting Canada with a 14-man team, AP reports from Montreal. Li's Ministry is starting to modernise China's telephone system. The team will visit Northern Telecom and Bell Canada factories.

The most recent polls show Mr. Kennedy to be comfortably the most popular politician in the opinion of Democrats—with Mr. Carter also well ahead of Governor Brown.

Despite his apparent political problems, the surveys also show that Mr. Carter has a sizeable lead over any Republican candidate at this stage.

Nobody in the White House has any illusions about the need for the President to work hard to regain the Democratic nomination.

The latest polls, taken last week, show that his standing



Senator Kennedy... remains a Carter supporter at present

went up only modestly after his Middle East coup and that the major issue confronting the country—the economy and the war on inflation—is still the area in which he is most vulnerable politically.

The Iowa Democrats who are organising for Mr. Kennedy come from the party's liberal wing. Liberals still exert great influence inside the Democratic Party—much as conservatives do inside the Republican Party.

If dissatisfaction with Mr. Carter's performance grows, the Iowa dissidents could make their presence disproportionately felt.

UN reports \$5.5bn loans to S. Africa

By David Tonge

BETWEEN 1972 and 1978 financial institutions in South Africa received international loans totalling \$5.5bn according to a report by the UN centre against Apartheid. This figure covers only credits or bonds raised on the international capital market, involving banks of different nationalities. It does not include loans made by banks in individual countries, trade financing and interbank lending.

The study, released yesterday, comes two months after the UN General Assembly called for an end to all new investment in, and all financial loans to South Africa.

The bulk of the loans came from West Germany, Britain, the U.S. and France. U.K. investment in South Africa totals around \$5bn, according to Dr. David Owen, the Foreign Secretary. He said recently that Britain has "a heavy political and moral responsibility to use our economic influence to apply political pressure for peaceful change."

The Government, he said, had shown determination to start reducing Britain's economic commitment to South Africa.

The value of loans each year rose steadily until the Soweto killings in the summer of 1976, then fell and are now recovering. The main British banks involved in syndicated international loans are Barclays International, Barings, Hambros, Hill Samuel, Kleinwort Benson, Sannell, Montagu, N. M. Rothschild's, and Schroder Wagg.

Ambassador Leslie Harriman, Chairman of the UN Special Committee against Apartheid, has stressed that foreign loans and credits have allowed the South African regime to increase its military budget from \$40m in 1960 to nearly \$2bn this year.

Recently the U.S. Eximbank made its financing to companies conditional on their agreeing to the so-called Sullivan principles—a code of anti-apartheid conduct described as marginally tougher in general than the EEC code. Critics of apartheid also say that they have received assurances from some major U.S. banks that they will not lend to the South African government or, in a few cases, to the Government's agencies.

BRAZILIAN VISIT

Schmidt takes the pulse

BY DIANA SMITH IN RIO DE JANEIRO

CHANCELLOR SCHMIDT'S official visit to Brazil starting today is purely political according to West German diplomats, a chance for Herr Schmidt to take the pulse of the Government headed by General Joao Baptista Figueiredo, who took office on March 15.

The Chancellor has a notable interest in the new Brazilian Administration, as West German political, trade and business ties with Brazil were greatly strengthened during the five-year tenure of Gen. Figueiredo's predecessor, Gen. Ernesto Geisel, who is of German descent.

Key elements of Brazil's official and business community were traditionally receptive to German economic and technical achievements and tend to respond more positively to German than to U.S. attitudes.

West Germany is now Brazil's second largest foreign investor after the U.S., with \$2.1bn invested or re-invested here at the end of 1978 by major concerns including Volkswagen, Mercedes Benz, Siemens, Krupp, Thyssen, Mannesmann and Bayer.

In the past decade, West German technical cooperation has brought in DM 1.1bn (£310m) and a host of scientists or technicians supervising major projects in agriculture, urban planning, hydrography and mineral prospecting.

The \$13bn Brazilian-German nuclear energy agreement, signed in 1975, for eight Kraftwerk Union reactors and technical transfers is thought by Brazilian officials to be the ideal model for future international nuclear co-operation—a view that patently is not shared in Washington. The agreement has been criticised on technical and financial grounds by Brazilians who favour hydroelectricity, and on political grounds by the Carter Administration, which is worried that Brazil might acquire and use the materials or knowledge to build atomic weapons.

The Carter Administration has softened its tone but is apparently still bent on coaxing Brazil to adopt thorium research as an alternative to the full uranium-plutonium

cycle. While debate on the project continues, Brazilian and German officials insist that the volume covered by the agreement will not be altered, although the timetable may be relaxed. Herr Schmidt is not accompanied by any Ministers involved in this field, so the matter is not expected to be discussed during his visit.

Bilateral trade, an awkward aspect of Brazilian-German relations, is likely to be discussed. Trade, which totalled DM 4.46bn in 1978, has brought modest surpluses to Brazil in recent years. West Germany has criticised high Brazilian import barriers and German industrialists are one of the main forces behind EEC strictures on Brazilian goods such as cast iron.

Significant imports of German capital goods used in Brazil's mammoth industrial and infrastructure projects in the past can no longer be relied on; often they are produced locally and Brazil is beginning to cool down its overheated economy.

French interests are now



Chancellor Schmidt

also making considerable inroads into the high technology areas which were once virtually a German preserve. Because of rampant inflation—15 per cent in the first quarter of 1979—Brazil's new government seems bent on slowing down developments in telecommunications, road and rail transport and other fields that could use foreign goods or technology. Thus private trade talks are not expected to result in major German gains, in 1979 at least.

Republicans fight for balanced budget

WASHINGTON—Mr. Michael Blumenthal, the U.S. Treasury Secretary, yesterday urged the House of Representatives to pass legislation raising the limit on the national debt.

"If the Bill is not signed into law today default is virtually certain," Mr. Blumenthal said in a letter to the Speaker of the House.

"Denigration of the full faith and credit of the U.S. would have incalculable effects on the domestic money markets and on the value of the dollar in exchange markets."

Republicans were yesterday preparing to force a showdown on a proposed amendment to the debt limit measure requiring a balanced Federal budget. If the debt limit measure is not passed, the Government would not be able to borrow more money some of it to help cover social security cheques already sent out.

The old debt limit of \$795bn expired at the weekend and the Treasury said that without an increase in the debt limit, the Treasury would be unable to meet its obligations today.

The Government might be able to pay its most pressing bills by shifting available funds from accounts where they were not urgently needed.

Democratic leaders were counting on the prospect of the Government not being able to pay its bills to help pressure Republicans into passing the Bill without the amendment.

The Republican-backed amendment would require three-fifths majorities in both Houses of Congress to raise the debt limit to pay for unbalanced Federal Budgets starting with fiscal 1981, the Budget year beginning October 1, 1980.

A Democratic supported amendment would require the Congressional Budget Committees to offer balanced budgets for fiscal 1981 and fiscal 1982. However, the budget could then be voted out of balance by simple majorities in the House and Senate.

The debt limit bill would raise the Government's temporary borrowing authority to \$850bn, AP

Mobil sues over lost pesticide

NORFOLK, VIRGINIA—Mobil Oil Corporation has filed a \$100,000 damage suit against the owners of an Italian freighter barred from entering Chesapeake Bay for 31 days because of fears that shellfish would be contaminated by pesticide-fouled water in its cracked hull.

The suit was filed in the U.S. district court by Mobil, the owner of the cargo of pesticides which mixed with sea water in the hold of the ship, the Maria Costa.

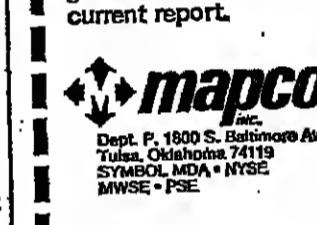
Mobil charged the owners of the vessel with diluting the pesticide when the Maria Costa developed cracks in its hull and water leaked in in late February. It claims that 65 tons of the pesticide were destroyed.

Because the pesticide is highly toxic, the Maria Costa was kept 11 miles off Cape Henry for 31 days while the contaminated sea water was removed. The coast guard then allowed the vessel to enter Hampton Roads for repairs.

The U.S. Environmental Protection Agency feared the 1,500 tons of pesticide-contaminated water in the ship's hold might leak into Chesapeake Bay and endanger its shellfish.

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Jean-Francois Noel, Chemical banker. Photographed with Weyerhaeuser purpose-built forest products vessel, Antwerp.

As a recognized leader in modern forest management, Weyerhaeuser has rightfully earned its reputation as the "tree-growing company," and in the process has grown into an international organization with decided financial strengths.

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Weyerhaeuser Director Treasurer's

Department-Europe, Edmond van Wijngaarden and Chemical banker, Jean-Francois Noel, improve on this tailor-made system continuously.

Every day a variety of forest products leaves the West Coast of the USA and Canada for delivery anywhere from Antwerp to Alexandria. And Noel helps smooth the way for the Weyerhaeuser customers' ever-changing multi-million dollar credit arrangements.

Noel is only part of the customer-banker relationship. Another part is William H. Adams, head of Chemical Bank's San Francisco regional headquarters. As a main link with Weyerhaeuser's Treasurer William C. Stivers, Adams coordinates all groups in the bank as they relate to

the company and has helped Stivers with foreign exchange, domestic and international collection, importing and financing arrangements; he has helped establish on-line communication through ChemLink, Chemical's financial management system, as well as computer-to-computer transmission of lock box information.

Whether the team is Stivers and Adams in the United States, or van Wijngaarden and Noel in Europe, they tell you that mutual understanding and respect are what make the relationship prosper. That's what usually happens when corporate officers get together with Chemical Bankers. And what results is bottom line benefits for both the company and the bank.

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هكلمن الترحيل

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As our pictures show, a fireman only has to enter a smoke-logged factory, take three steps and turn round, and he can't see a thing.

He'll have trouble seeing the exit, let alone the fire.

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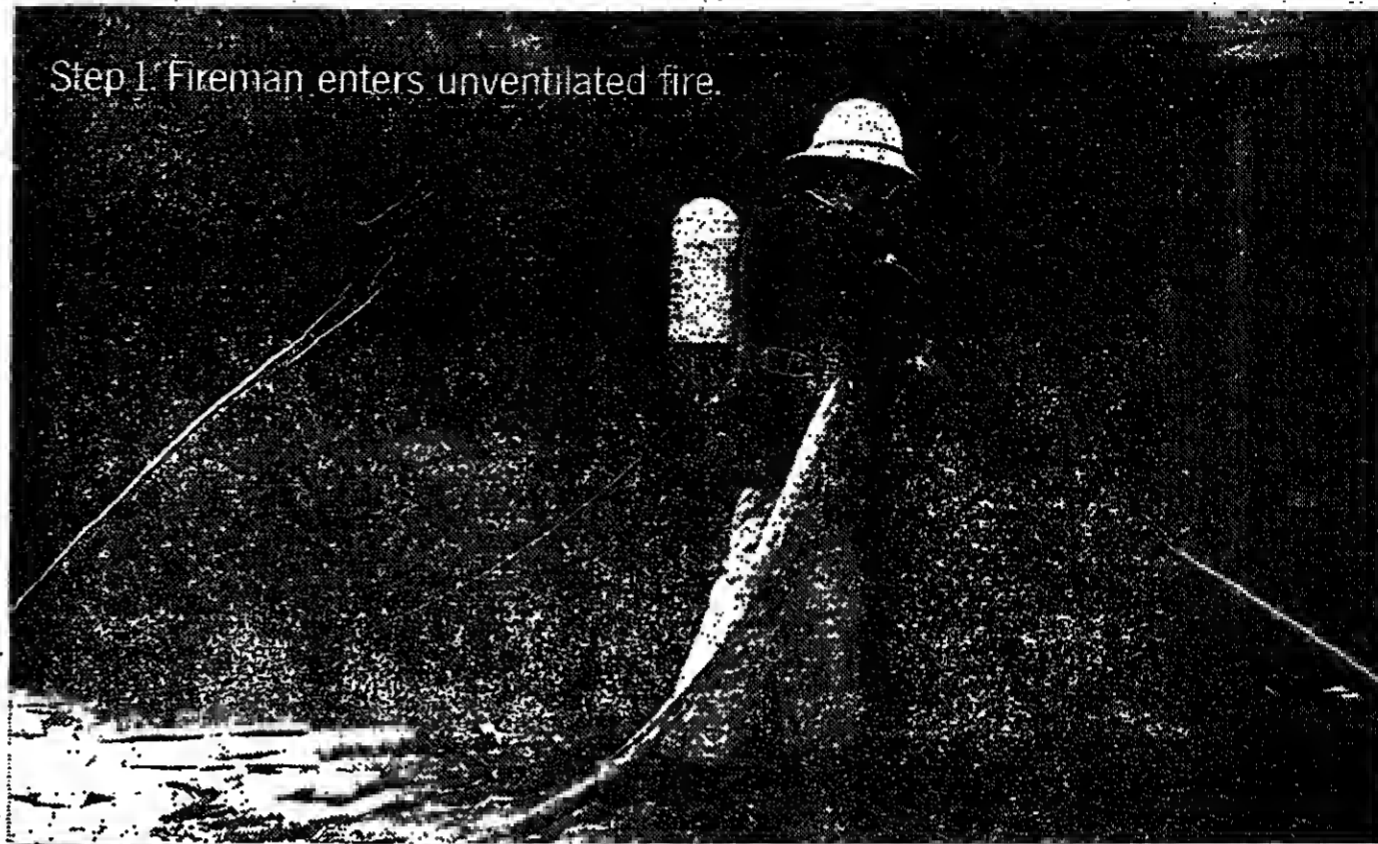
Remarkably, it's frequently been possible for production to be carried on in the factory the next day.

YOUR NEXT STEP

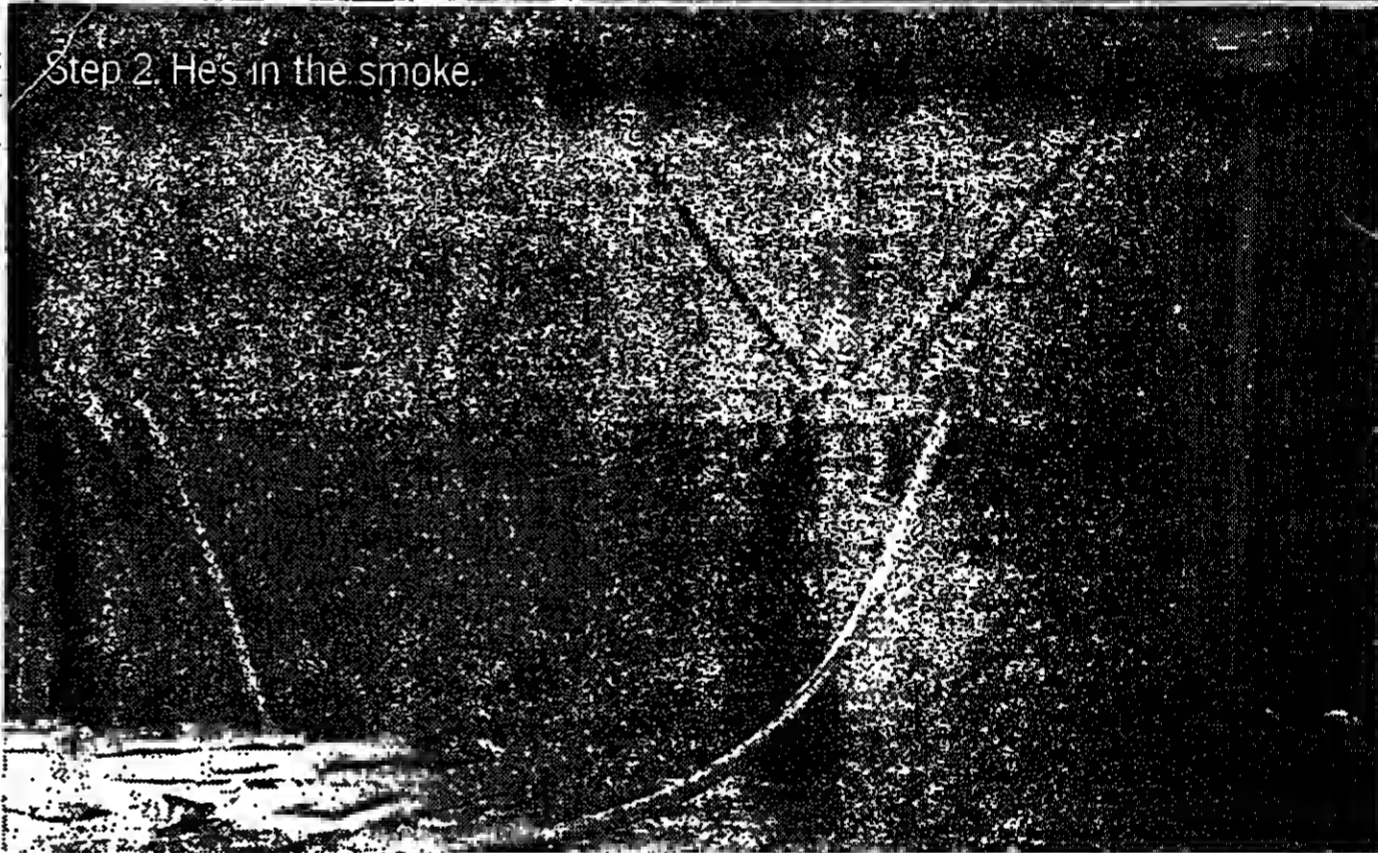
Colt have installed fire ventilation in factories, warehouses, shopping precincts, prisons, and hundreds of thousands of buildings world wide.

The costs are tiny compared with the gigantic losses a fire could cause. And can

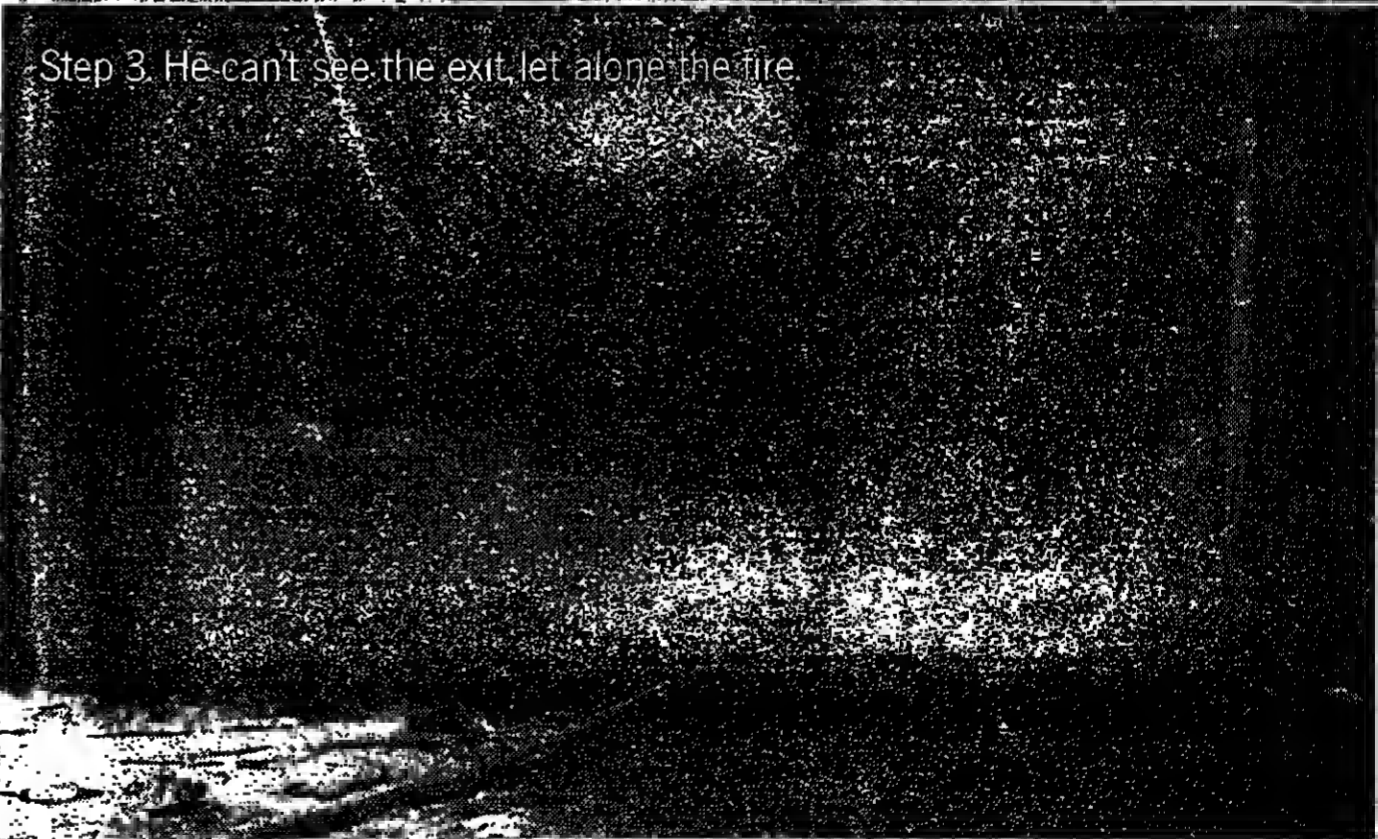
Step 1. Fireman enters unventilated fire.



Step 2. He's in the smoke.



Step 3. He can't see the exit, let alone the fire.



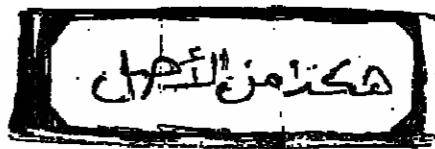
be offset by tax allowances. Leasing can be arranged for you if desired.

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Nuclear energy store 'equals coal reserves'

BY DAVID FISHLICK, SCIENCE EDITOR

BRITAIN HAS almost as much stored energy in the form of depleted uranium as in the whole of its proven coal reserves, Sir Francis Tombs, chairman of the Electricity Council, said in an address to the Australian Institution of Engineers yesterday in Perth, Western Australia.

By utilising this stockpile of depleted uranium—fuel from which many of the fission atoms had been extracted—in fast breeder reactors, Britain would be able to obtain 60 times as much energy as it could with its present-day reactors, Sir Francis said.

Regarded in this way, the stockpile amounted to the equivalent of almost 400bn tonnes of coal.

Describing Britain's experience with a 250 MW prototype fast reactor, Sir Francis said the reactor itself and the primary and secondary circuits had given excellent performance. Major components operating in an environment of "light sodium" had performed "extremely well".

The designers had confidence that they could proceed to the building of a commercial-scale demonstration fast reactor when the decision to do so was taken.

Britain, Sir Francis said, also had considerable experience of the reprocessing of fast-reactor fuel. Fuel from the prototype fast reactor would be reprocessed this year, and the plutonium extracted made into fresh fuel.

Ladbroke buys 31 pubs for £3.1m

By Our Consumer Affairs Correspondent

THE LADBROKE Group's planned expansion into the public house trade went a step further yesterday with the acquisition, for 1.3m, of the 31 outlets owned by the R. V. Goodbrow company.

Goodbrow has 31 pubs, many with restaurants, in central London, the Home Counties and Yorkshire.

Mr. John Jarvis, chairman of the Ladbroke hotels division, said the takeover was "part of our planned expansion in the pub trade, which will be developed at a rapid pace."

Ladbroke already has 14 pubs, which it acquired when it took over the Leisure and General company. That encouraged Ladbroke to plan further takeovers of pub groups and Mr. Jarvis said offers of licensed premises were being evaluated.

But Ladbroke's acquisitions still represent only a tiny part of the pub trade, since the major brewers own nearly 31,000 (almost 70 per cent), public houses in the UK.

Meanwhile, the B-haven brewery group yesterday sold its last remaining UK-managed hotel property. It announced the sale of the lease for 100,000 of the Metropolitan Hotel in Falkirk.

Household rates rise by double Shore's single-figure target

BY PAUL TAYLOR

HOUSEHOLD RATES in England and Wales are rising by an average of 19.2 per cent—virtually double the target set by Mr. Peter Shore, Environment Secretary. Fears about the final level of local authority wage settlements are responsible for the increases.



Mr. Peter Shore: Rates have passed his single figure target set in November

Figures produced by the Rating and Valuation Association yesterday—based on returns from 87 per cent of the 353 local authorities—show that only 7 per cent (26) had met the "single figure" target set by Mr. Shore when he announced the Government's 1978-80 rate support grant to local authorities in November.

That target was based on a 5 per cent increase in wages, prices increasing by 7.5 per cent and some local authorities drawing on their balances.

However, Mr. Ralph Egarr, president of the association, said local authority treasurers had been forced to take a "cautious" look at anticipated expenditure in the light of pay settlements already reached.

The manual workers' 9.9 per cent wage award, with extra in August and next April from a comparability exercise, uncertainty about the levels of other settlements and interest rates have forced treasurers to build substantial contingency reserves into spending estimates.

The association's figures show a large disparity between the rates bills in different types of authority and parts of the country. While in general terms rate rises in Wales are the highest in the country—reflecting a lower base level and higher Government subsidies—the average ratepayer in Wales pays 50 per cent less than a London ratepayer.

The non-Metropolitan districts and 27.6 per cent in Wales. Figures for the 56 Scottish rating areas show a similar pattern of rate increases, with more than half the areas increasing domestic rates by between 11 per cent and 20 per cent.

While Mr. Egarr felt the increases were unlikely to lead to a general "rates revolt", the scale of the increases is bound to complicate the district council election on May 3.

CTI-Dominion phases out NGC

NGC Conveyancing Guarantees, a sister company to CTI-Dominion Title Insurance, yesterday stopped accepting any conveyancing as part of a rationalisation process which will lay greater emphasis on marketing through House Ownership solicitors and other CTI-Dominion Guarantees.

CTI-Dominion has also announced that the premium rates for its House Ownership Guarantee have been reduced from £3.50 per £1,000 of valuation to £1 per £1,000 for registered domestic property, and £1.50 per £1,000 for unregistered property. The commercial and industrial property rate remains at £2.50 per £1,000.

NCB invests £36m in research

INVESTMENT in research and development by the National Coal Board will total £36m in the present financial year (1978-80), Sir Derek Ezra, NCB chairman, said last night.

He said the investment, which includes contributions from the Department of Energy and the European Coal and Steel Community, "is now running at the highest ever level—over four times more than five years ago."

Projects include the development of automatic and remote controls for coal mining, and new technologies for processing coal "so that they will be ready to replace oil and natural gas supplies when they become scarce."

NCB scientists have already set up a pilot refinery producing oil, petrol and jet fuel, as well as raw materials for a range of chemical products.

Managers want priority for industrial effort

BY RAY PERMAN, SCOTTISH CORRESPONDENT

MANAGERS WOULD like to see the new Government whatever its political colour, maintain the present industrial strategy with its emphasis on manufacturing, Mr. Roy Close, director-general of the British Institute of Management, said yesterday.

The institute has been helping to develop the strategy through the Professional Managers' Committee, in which it is represented with the National Economic Development Office.

Mr. Close, speaking in Edinburgh, said that the institute would like to see several broad policies maintained, even if the Government changed.

The industrial strategy sought in general to create wealth and put as much resource as possible into re-establishing manufacturing industry.

The institute wanted the new Government to reduce inflation, although it accepted that a mixture of policies could do that. It also wanted a change from direct to indirect taxes to restore incentives.

Mr. Leslie Tolley, chairman of the institute, said that manufacturing industry in Britain could not survive under the weight of import pressure.

"We must remember that it's not just industrial machine tools that are imported," he said. "It's the finished product. Then it ultimately loses also its skills, its know-how and its ability to design and service until there is nothing left."

This inescapable fact is ignored by those who would have us believe that we can survive upon our advanced technical knowledge, on our services, or by moving up-market or supplying components.

Plea to save Corby by road improvements

FINANCIAL TIMES REPORTER

THE EAST-Midlands economic planning council yesterday called for immediate improvements in the road system serving Corby, Northamptonshire, to help bring more industry to the town.

The road improvements are the proposed A1-M1 routes lining the East Midlands to the east coast will be too late to save the town from a serious economic decline. Unemployment is 7.3 per cent and more than 6,000 other jobs are threatened with the phasing out of steelmaking at the town's BSC plant.

Steelworkers at the plant said yesterday they will halt production this week if management does not agree to increase manning levels.

They have started restricting overtime to eight hours a man until more workers are taken on. The Iron and Steel Trades Confederation says too much overtime is being worked in a town which has nearly 3,000 people out of work.

CONTRACTS

£14.5m earthmoving for London and Northern

Earth-moving division of LONDON AND NORTHERN GROUP, consisting mainly of C. A. Blackwell (Contracts), Earlscliffe, Essex, and Tractor Shovels (Contracts), Edinburgh, have been awarded contracts in excess of £10m, including the Fens and Stoney Down section of the M6 motorway, West Wyalong reclamation scheme, Northumberland and preliminary site works at Torness nuclear power station. Another member of the group, A. Farquhar (Builders), has been awarded building contracts in the Aberdeen area totalling over £4.5m.

REDIFON SIMULATION Crawley, Sussex, has been awarded a £5.5m contract for Boeing aircraft training simulators by Aerolineas Argentinas, the Argentine national airline.

Den Danske Provinsbank A/S has placed a £10m (£3.8m) order with NCR for an on-line network for the bank's four main offices and 155 branches throughout Denmark. The overall system includes two central Criterion 8370 computers and 450 terminal work stations.

The Robert Horne Group, supplier of paper and board to the printing industry, has ordered a SPERRY UNIVAC 1100/12 series computer system, valued at nearly £1m. Sperry Univac has also received a £250,000 order from Spillers for a V8/600 dual processor system,

which will, initially, take over the order processing requirements of one of its operating groups.

The Post Office has placed a £1m contract with GREENBAT for new rolling stock for its London underground railway serving district sorting offices. The order comprises 34 automatic trains for the 61 mile route. The present trains have covered 85m miles in the past 50 years.

Overseas and home contracts collectively worth over £300,000 have been awarded to BRIMEC (UK), Bristol, specialist self-loading lorry builder. The export orders are from Germany, Holland and Australia, mostly for the new demountable system which can load at ground level and transfer bodies horizontally.

Air handling units for the new South of Scotland Electricity Board computer centre at Catcart will be supplied by VENTILATION EQUIPMENT AND CONDITIONING, London. The 18 units will cost over £100,000.

Air suspension on a fleet of Shell road tankers is to be changed to rubber suspension to conform to European standards. The work, costing £200,000, will be carried out by NORDE SUSPENSIONS, Swell, Northants.

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Los Angeles	1255	1500	
New York	1200	1335	
	1500	1635	
San Francisco	1530	1730	Wed/Fri/Sun
	1530	2005	Mon/Tues/Thur/Sat
Seattle	1240	1320	Wed/Fri/Sun
	1530	1610	Mon/Tues/Thur/Sat
Washington	1130	1350	

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UK NEWS

Attention moves from Sprinkel in battle to reopen Wheal Jane

THE MAIN focus of the attempt to save the failed Wheal Jane tin mine near Truro, in Cornwall, has shifted from Mr. Robert L. Sprinkel, the American entrepreneur, to the Government and Rio Tinto-Zinc, the UK's biggest mining group.

But it is clear that RTZ executives and officials from the Industry Department would not be sitting down to negotiate the apportionment of costs for a new exploration programme at the mine, had it not been for Mr. Sprinkel. This meeting will probably take place later in the week.

Mr. Sprinkel became interested in the mine last summer. It had closed in May when its owners, Consolidated Gold Fields, decided that there was too little tin, too much water, and what had always been a marginal operation could not be made to pay.

What finally induced Gold Fields to pull out was the closure of an adjacent mine, Cornwall Tin's Mount Wellington operation. The two mines were linked by a water problem — both had to keep pumping, and if one stopped the water level would rise in the other.

Gold Fields was not prepared to take on the extra pumping, or indeed to pay for extra pumps.

The news of the mine closures, putting more than 700 people out of work in an area of high unemployment, was taken calmly by the Government at least until Mr. David Penhaligon, the Liberal MP for Truro, managed to turn the closures into a political issue by apparently invoking the Lib-Lab pact.

It became clear that Government aid would be forthcoming but that permanent losses would not be underwritten. This led to the breakdown of talks with Gold Fields.

Several companies were seen as potential lifesavers but they disappeared: Saint Piran, the majority owner of South Crofty, largest of the Cornish mines, and even Cornwall Tin.

At this stage the name of Sprinkel began to circulate in Cornwall. Mining men knew him for his work in putting together a package which was

searched for City funds. They acknowledged that it was a high risk venture, but argued that the new Sprinkel management team could succeed where Gold Fields had failed because their administrative structure would be light. Further, by concentrating on underground development, they would be able to avoid the difficulty Gold Fields

of the RTZ commitment. The group sees an exploration programme lasting 16 months, but it has not stated how much it is prepared to spend on it, or how much it is seeking from the Government.

The minimum it would presumably expect is the 35 per cent contribution permitted under the Mineral Exploration and Investment Grants Act 1972. But if the question of a future operation arises—and RTZ is likely to want this settled before it goes down to Cornwall—then the Government will no doubt be asked to agree on meeting a significant part of the costs of a development plan.

It has been suggested in the past that the Government would be prepared to provide a package of Industry Act funds and loans of up to £4m.

Certainly the initiative has now passed from Mr. Sprinkel's hands for the time being, and he must now be wondering whether he is to be cast in the role of joint venture manager, a project with RTZ in the background, or of subordinate in an operation run from London.

It is too early to tell—the exploration must be done first—but the history of Cornish tin mining this century suggests that success comes to those who run their operations locally. And RTZ is a highly developed group.

News analysis—PAUL CHEESERIGHT looks at the efforts being made to save the Cornish tin mine.

picked up by Dresser Industries and led to the reopening of a floatspar mine in Derbyshire.

Armed with a technical report put together by Dr. Calvert Armstrong of ACA Howe International, the mining consultants, Mr. Sprinkel put together a team of advisers and came up with a plan to spend £2m on buying the mine, underground development with a resumption of production in the third quarter of 1979.

If he could obtain private sector support he could then go to the Government for the balance of the funds he needed. That at least was the plan, and to help him he enlisted W. I. Carz, the City stockbroker.

Retrospectively, their campaign for support fell into two phases. Before Christmas they

had faced of intermittent flows of ore to the plant.

The City held back. There is no great understanding of mining ventures among the institutions, and no tradition of investment in what Canadians call junior mining companies. It, therefore, became obvious that Mr. Sprinkel would have to change tack. Only if he could ally himself with a major mining house would he be able to attract City funds.

The Government, paying out £20,000 a week to keep the Wheal Jane pumps going, took the same attitude. So the second phase started in the New Year when the search started for mining company technical and financial support.

The alliance with RTZ was the end of that search, but what is not obvious is the strength

Press Council critics launch reform group

A NEW body highly critical of the Press Council and anxious to see it reformed has been launched. The group criticises the council's composition, work-rate and adjudications.

The Council to Reform the Press Council, is sponsored by Lord Avebury, Mr. Jacob Ecclestone, a member of the Press Council, Mr. Max Madge, a journalist, Mr. Denis MacShane, president of the National Union of Journalists, Mr. Bruce

Page and Professor Laurie Taylor of York University. It says that lay representatives (half the Press Council's membership) are "chosen by an appointments panel which is itself chosen by the Press Council—a circle of patronage which would have found itself at home in the 18th century."

The reform group complains that the Press Council has failed to put into practice recommendations made by the 1977 Royal Commission on the Press.

Camus cognac brands to be sold in Britain

FINANCIAL TIMES REPORTER The French cognac producer, Camus, is to sell two brands in the UK. E. D. & F. Man (Victuals), the commodity broking group, has been appointed its UK agents. Camus, which claims to be the fifth biggest cognac producer in

the world, is offering Celebration and the top quality Napoleon cognac. E. D. & F. Man was previously sole broker for the supply of rum to the Royal Navy from 1978 until the traditional "tot" was stopped in the early 1970s.

Scottish new town wins £5.9m EEC bank loan

A LOAN equivalent to £5.9m has been granted by the European Investment Bank, the Community's long-term finance institution, for road, water supply and drainage development in Livingston new town, Scotland.

The loan has been made to the Lothian Regional Council for 15 years at 8.5 per cent and will cover about half of the expected cost.

Development at Livingston—one of five "new towns" in Scotland built as economic growth centres and to take population overspill from congested city areas—first began in

Joggers risk injury

NEARLY TWO joggers out of three in Britain might be injured before the year is out, according to figures from Mr. Colin Dove of the General Council and Register of Osteopaths. Injuries to the knee, achilles tendon, shin, ankle and heel are the most common.

Lancet disputes jobless link with death

By David Fishlock, Science Editor

RECENT CLAIMS that rising unemployment causes a sharp increase in the number of deaths have not been proved, according to a leading article in The Lancet.

The medical journal suggests that more needs to be learned about how people respond to unemployment — whether, for instance, it makes them smoke or drink more and points out that periods of rapid economic growth have also been associated with a rise in mortality rates.

Dr. Harvey Brenner of the Johns Hopkins School of Hygiene and Public Health in New York has suggested that a 1 per cent rise in unemployment, sustained for six years, could bring about 36,890 extra deaths in the U.S. and an increase in mental illness and crime.

600 Group in new U.S. sales venture

A JOINT distribution company based in Elgin, Illinois, has been set up by The 600 Group of the UK and the Clausung Corporation.

Sir Jack Wellings, chairman of The 600 Group, said Clausung's financial contribution to the project was "substantial."

One of Clausung's greatest successes, so far as the UK is concerned, has been the marketing of The 600 Group's Colchester lathes. About 250 are now being produced a week. The link with Clausung is expected to strengthen The 600 Group's sales drive, later this year, for a new range of numerically controlled machine tools.

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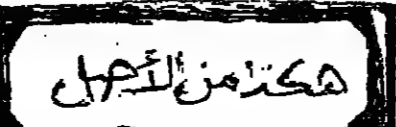
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- 1978 SHADOW II. Passport blue with magnolia Everflex roof and trim. Under 5,000 miles recorded.
- 1978 SHADOW II. Chestnut with tan hide. Delivery mileage.
- 1977 SHADOW II. Moorland-green with green dryden trims. Everflex roof. 17,500 miles recorded.
- 1977 SHADOW II. Henry gold with beige Everflex roof and trim. 23,000 miles recorded.
- 1978 SHADOW. Seychelles blue with regalia hide. 'S' registration, 34,000 miles recorded.
- 1976 SHADOW. Gold over tobacco with tan hide. 23,000 recorded miles.
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- 1978 450 SEL in brown with tan dryden trims. Electric sunroof etc. Delivery mileage.

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- 1978 930 TURBO in gold with tan leather trim. Usual extras. Del. mileage.

For further information please contact: David Ann—Bristol (01272) 20784 or Dennis White—Newport (0433) 27847.

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PERSONAL

After their husbands have gone they must war widows carry on the fight. Many of today's war widows, both old and young, need food and fuel to maintain homes and look after families. The Annual Poverty Appeal is not enough to provide these. Please send donations to: The Royal British Legion, Appeal Department, Weldstone, Kent ME20 7UK.

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

CORROSION PREVENTION

Protects against salt-laden air

FIVE YEARS of tests on an aircraft have shown how a paint primer and sealant could double the life of corrosion-prone structures and articles, including vehicle bodies, exposed to the sea air, according to the scientist who has conducted the work.

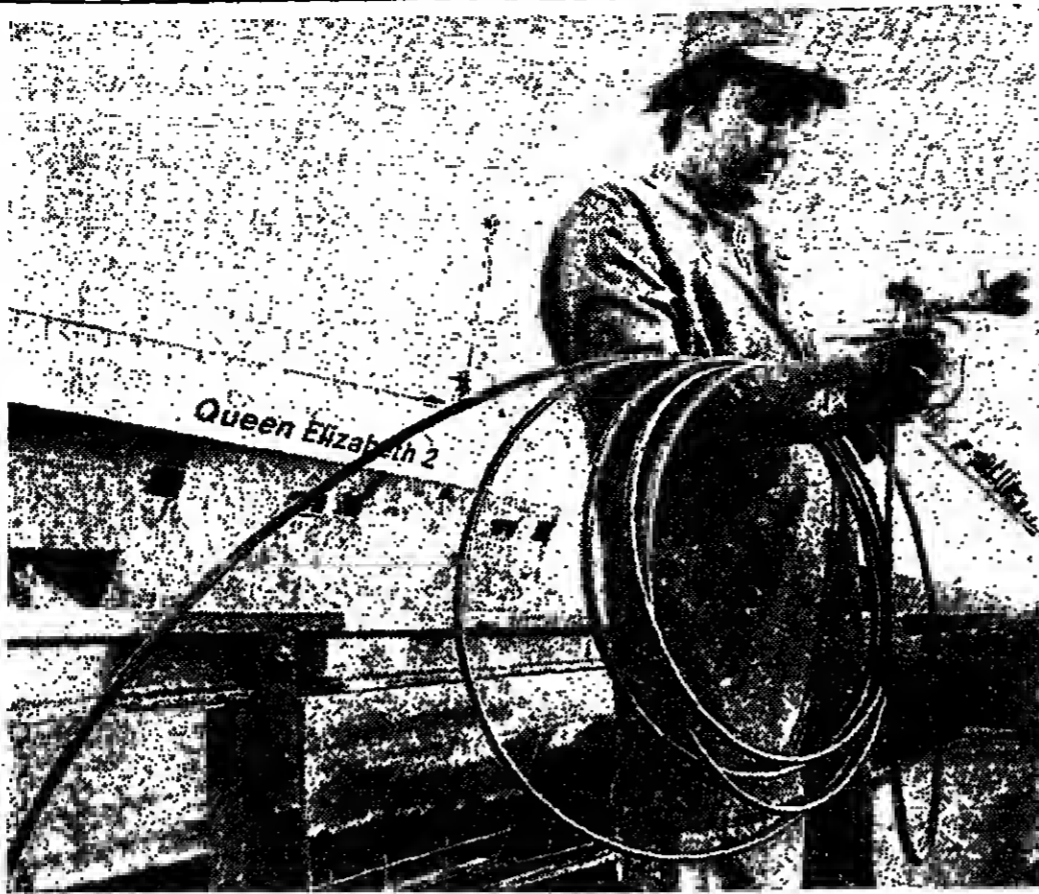
Dr. Robert N. Miller of Lockheed-Georgia Company, estimates it would cost about £25 to apply the new chromate inhibited polysulphide to the underbody of cars and effectively double their life. In 1973 the sealant and primer was applied to six test areas of a C-130 Hercules transport. It was used as an intermediate coat between an epoxy polysulphide primer and a polyurethane top-coat. The aircraft then went off to

operate normally from bases in Hawaii and the Philippines close to the sea. Now, five years later, the areas have been stripped and the metal surfaces are in excellent condition. There is no trace of exfoliation corrosion around the rivet holes where the first signs usually appear, Dr. Miller has disclosed.

In earlier tests with the same polysulphide on B-52 aircraft normally flying high and away from the salt sea air, the U.S. Air Force found that it almost doubled the life of the planes' paint.

Generally, aircraft are repainted every two to two-and-a-half years to prevent chips and scratches they suffer causing corrosion.

Lockheed Georgia Company, Marietta, Ga 30063, U.S.



During the last refit of the QE2, the whole of the liner's underwater surface, or some 12,000 square metres, was grithlasted, followed by the application of eight coats of paint using Nylabow 204 bonded lightweight hose, by International Marine Contractors, a division of International Paints. Some 250 ft of hose

was used on each of eight pumps and the Nylabow 204 was supplied as hulk hose in coils by Polypenco and made up into lengths as required on site. This hose was used because of its light weight, which enables the operator to work at greater distances from the pump and at heights of 90 ft or more. Polypenco on 07073 21221.

SECURITY

False alarm filter

RIPPLE MEMORY developed by Notecalm of Bedford, will very sharply reduce false alarm calls which, according to statistics from police and insurance companies, account for some 95 per cent of call-outs with general alarm systems.

Notecalm DT3 is designed to sense intruders and vandals on the outside of property and prevent entry—the attendant damage can be the major cost of a break-in even if little of value is actually taken. The portable unit contains a high output (101 dB) alarm to sound for up to four minutes, two 150 watt floodlights and standby batteries, and will protect 15,000 sq. ft.

It works on an acoustic principle, sensing intruder noises in the area it is protecting, whereas most other alarms in this price bracket detect either movement or heat and are easy to trigger accidentally. Sensi-

tivity can be set to different levels to take account of the surrounding environment, for example high for a quiet room in a hospital where there should be little background noise, but lower for a retail shop on a busy main road.

Ripple memory (for which patents are pending) ensures that only a sustained attack on the premises, or a deliberate entry attempt, such as that causing shattering glass or splintering wood, will trigger the alarm mechanism. Batteries contained within the unit provide a standby power source for up to 48 hours in the event of a mains failure or cut lines.

The alarm has facilities for remote arming and disarming, activation of ancillary equipment, connection to existing systems and charging of external equipment.

Notecalm, 4 Ashburnham Road, Bedford, Bedford G23A 64059.

SAFETY

Protects a lengthy structure

ACCEPTANCE TESTS have been concluded of a linear fire detection system for the protection of some of the high risk areas in the intersecting storage rings complex at the European Centre for Nuclear Research in Geneva.

Designed and manufactured in Britain by Alarmline of Hythe, Southampton, the system protects power and control cables feeding into the complex, some of which are exposed to moderate levels of radiation.

Alarmline equipment is based on a heat sensor cable, less than 3 mm in diameter, in which temperature changes produce variations in electrical characteristics that are constantly monitored within the associated control equipment. Being part of an analogue system, the sensor is equally capable of detecting a local hot spot or a lower rise in temperature over a length of up to 200 metres; it will recover to an alert condition after an alarm, provided it is not heated to destruction. In destruction it will ultimately fail, always to an alarm state.

At CERN, Alarmline has been used to protect power and control cables to one of the experimental magnets and the "Low Beta Insertion" operating at

surface temperatures of between 45 degrees C-60 degrees C. Here the prime function is to detect cable overheating and Alarmline sensor has therefore been mounted in zig-zag formation in direct contact with the cables. Alarmline, Hythe, Southampton, SO4 6YE. 0703845565.

Pads made safer to land on

OUR Oslo Correspondent reports that Safedek, a helicopter deck for oil platforms, with a built-in firefighting system, has been put on the market by a Norwegian group—Oil Industry Services of Kristiansand.

The deck's firefighting device is the invention of a Norwegian helicopter pilot, and consists of a network of pipes, which can foamcoat the deck in less than a minute. Over this network is a grating, designed to take the weight of the heaviest helicopter which will hold the foam in place, even in a high wind.

In addition, the grating further restricts the supply of oxygen to the fire, helping to smother it quickly. The company claims its system reduces flame heights by from 70 to 90 per cent, compared with conventional decks.

Helicopters operating in offshore shuttles must carry

enough fuel to take them back to the nearest on-shore base. If a helicopter crashes on an oil platform, this reserve fuel can be ignited, flooding the deck with burning petrol, and hampering rescue and fire-fighting. "Safedek" it is claimed, would almost immediately extinguish the fire on the deck itself, allowing firefighting personnel to concentrate on putting out the blaze in or on the helicopter and evacuating its passengers and crew.

The grating is non-slip, allowing personnel to cross safely. Its high-friction surface helps hold the helicopter in place, thus eliminating the need for rope landing-nets. In the event of a platform fire, or blowout, the "Safedek" system can be used to cool down the deck, simply by pumping water through it. This could be vital if evacuation of the platform became necessary.

DATA PROCESSING

Corporate planner

WHILE ADMITTING that its newly offered computer-based corporate planning system, Simplan, joins a UK market list of about three dozen others, Lowndes-Ajax believes that it has a good deal of additional credibility stemming from the impeccable design source.

Simplan was designed in the U.S.—where there is in any case much more use of this sort of system—by Social Systems Inc., mentors and directors of which are Professors Shubik and Naylor of Yale and Duke Universities respectively.

Shubik is accredited with the development, at IBM some 20 years ago, of the first computer-based planning model for business organisations. Naylor has written 12 books on the subject in general.

To market Simplan in

Western Europe and Africa a new company, Social Systems International, has been formed by the U.S. principal and Lowndes-Ajax Computer Service, the former having the controlling interest.

Marketing will be in two main areas: to the large user who will install Simplan on his own machine (IBM, Amdahl and Ite); and to the bureau which wants to offer the system to its "financial" clients.

Simplan's description gives it very wide ranging abilities from strategic, tactical and operational planning to econometric modelling and including such facilities as cash management, financial forecasting, profit planning, budgeting, sales forecasting and capital investment evaluation.

Hands-off computing

AN UNUSUAL kind of service offered by GSI UK, 83 Clerkenwell Road, London EC1R 5HP (01-242 0747), will enable organisations planning to decentralise their data processing activities to put a machine under their own local control and still have the benefits of using a service organisation.

First offering will be the DEC 2020 which GSI will install on the user's premises in whatever combination of hardware and software is required.

The company's aim is to provide easily-used systems for

users who "don't have to be and don't want to be data processing professionals."

Such "local" systems will be able to integrate with other local centres or national centres run by GSI and in turn with the company's interactive network or with the user's own mainframes.

A full range of systems and services will be available to local users including specialist and financial routines, and specialist support executives will be allocated to the local site.

Burroughs in network advance

ANNOUNCED a few months ago, Burroughs Network Architecture (BNA) is making rapid progress and already can be used on medium and large machines to simplify the task of machine-to-machine communication and operation of shared terminal devices from one or several computers which may be located at distant points.

It attempts to draw from the extensive experience of many large users, who have pioneered some of the biggest networks set up for defence or banking, and at the same time bring in the latest available technology to prevent work now in progress from rapid obsolescence.

The end-product is expected to be far greater ease of communication for users throughout a company or an organisation through systems to which a hitherto impossible degree of flexibility has been provided.

That means users will be able to call up equipment working to a central processor at another site, just as if it was in the local computer room, without affecting operations at distant points. Advantages of working in this way across several time zones are obvious. But establishing the communications and control protocols is a complex task, particularly as they have to provide at all times for a system that is easily altered or



Recognition for systems house

GAMMA Associates, computer systems house, has been made a "major account" by the Digital Equipment Corporation. This move follows Gamma's sales success with DEC systems in recent years, during which time the company has become that organisation's largest commercial systems OEM in the world.

Under the agreement which covers sales on a multi-national basis, Gamma plans to sell over £15m of DEC products, including large systems and VAX machines, during a three-year period.

Besides a commitment from Gamma to purchase many machines, the major account agreement calls for DEC to provide international specialist support on a number of products. DEC will also form a major account team to handle Gamma.

Gamma is at Newland House, Mount Street, Nottingham NG1 6GN. 0602 412900.

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Foils the shopbreaker

LATEST OFFERING from Chubb Alarms, 42 Hershaw Road, Walton-on-Thames, Surrey KT12 1RY (08322 43851) is aimed particularly at small business premises and can be installed for £350 with an annual £85 comprehensive maintenance contract.

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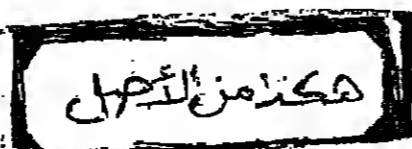
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THE JOBS COLUMN

Professional to manage surprising growth

BY MICHAEL DIXON

"WE HAVE been asked to find the chief executive of a growing organisation," pined Peter Giblin of international head-hunters Russell Reynolds Associates.

The pun completed, Mr. Giblin produced a surprise. The job was in Saudi Arabia, he added. No joke. Although the group originated in the British Isles, it now draws by far the major part of what I am told is about a £20m turnover from farming in the desert or, in its own terms, the semi-arid regions of the world where it apparently forges the bulk of its future expansion also.

Russell Reynolds may not name the company (and therefore promises that any applicant who so requests will not be identified to the employer until permission is given later).

From another source, however, I gather that even though farming in areas of the desert kind requires large capital outlay, this particular group calculates that farming by its systems enables project capital to be written off over six years or so.

The associated farms in Saudi Arabia have already brought more than 600 hectares of virgin desert under intensive cultivation of forage crops, at yields which are reckoned capable of supporting 10 cows a hectare. The cattle population is scheduled to total 3,300 at the end of this year and 6,000 in 1982, and the milk production target on established farms is 6,000 litres—or about £2,700 a year at present wholesale prices—for each cow, without taking account of the animals' sales value.

The entrepreneurial and technical forces of the business will continue to be the main concern of the founders. So the main task of the new chief executive at the Riyadh base will be to develop fully professional management systems throughout the group, which currently employs about 250 people, some three quarters of them from the original home country.

Planning on a three- to five-year basis is likely to be among the managerial disciplines to be established in the business, which has divisions dealing respectively with the farming operations, technical services and equipment, marketing of new farm "packages," construction and procurement, and a financial section under a chief accountant.

Someone who is enough of a professional to establish the managerial case effectively with the two founders who, I hear, are strong characters. Candidates must be experienced in general management and have particular strength on the commercial and marketing sides. They could already be running a biggish division or the number two decision-maker therein, and the best background would probably be a group such as Unigate, Express Dairies, Cadbury Schweppes and suchlike, or a successful farmers' co-operative.

The desired age range is about 35-45 and, in spite of the particular forbearance required of women in Saudi Arabia, a married man would be preferred. High-standard family accommodation is promised, I gather free of charge, and the other perks include a chauffeur-driven car.

Salary is not specified, which since I am hardly familiar with Saudi Arabia, makes me more than usually conjectural in producing the "guesstimate" required by hallowed Jobs Column traditions. Even given that the pay will be tax-free for a recruit of United Kingdom origin, at least—I feel that the group will have to be prepared to pay upwards of £30,000, plus a bonus.

Another thing which needs

emphasising is that Peter Giblin is not interested in candidates attracted purely by the prospect of bearing a few years in Saudi Arabia and with a handsome capital sum in pocket then shaking the sand of their sandals. Applicants must be prepared to "live" the chief executive's job just as they would if it were based in some utterly desirable place such as Paris or my birthplace, Dukinfield in Cheshire.

Such people should write including career details to Mr. Giblin at 1 Mount Street, London W1Y 5AA, telex 881202L.

There again

WHILE we are still in Saudi Arabia, although now in the industrial region of Eastern Province, Brian Saltzer of West One Selection is seeking a general manager for a business providing large-scale inspection and quality-control services to petrochemical and associated contractors.

Although he may not name the employer (the guarantee to honour requests for non-identification applies, as in all such cases), the job's responsibility is to the engineering vice-president of the U.K. subsidiary of a United States group. From the Eastern Province base, the newcomer will take charge of work

—mainly non-destructive testing of pipeline complexes—also throughout the Gulf States. An engineering qualification is desired, but most important is experience of managing major contracts in Saudi Arabia. The general manager's workforce, by the way, is of mixed nationality and includes several expatriates.

Given such experience, candidates could come from anywhere. Salary in UK terms £20,000 tax-free plus yearly bonus as part of annually renewable contract. Free accommodation—married candidates again preferred. Car and other expatriate perks. Written application to Mr. Saltzer at 61 Berners Street, London W1P 3AE, telex 28604 ref. 3013. Telephone inquiries to 01-636 8781.

Everywhere else

WHILE we are still with the petrochemicals area, Brian Saltzer is also seeking a qualified engineer to work from London as a business development manager covering all parts of the world except the Middle East. The business to be acquired is specifically construction-only projects for petrochemical and other process plant for products such as fertilisers.

Demonstrable success in

similar big-money dealing is required by the unnamed employer—once again the U.K. subsidiary of a major U.S. multinational. Big-organisations background preferred. Experience in negotiating at high levels of business and government is essential, of course. Provided candidates are culturally transferable, their nationality matters little.

Aged almost certainly at least 40, the newcomer will report to the construction director of the UK company.

Basic salary around £18,000. Other benefits negotiable.

Change line

READERS with a qualification in accountancy, law or whatever and experience in industrial or commercial management, and who fancy branching into executive recruitment, are being sought by John Featherstone, of Hoggett Bowers Selection.

While he is based in Yorkshire (Minerva House, 29 East Parade, Leeds 1—tel. 0532 448881) the posts could also be in Scotland, the Midlands or Manchester. Age about 35. Contacts with potential clients would help, but experience of recruitment not necessary as training will be provided. Salaries up to £10,000 plus performance related bonus. Car.

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UK NEWS - LABOUR

Tory labour relations reform 'would unleash whirlwind'

BY NICK GARNETT, LABOUR STAFF

A WARNING that the Conservative Party's programme for reforming industrial relations would unleash a "whirlwind" of trade union opposition was made yesterday by Mr John Miller, the Transport and General Workers Union national secretary for chemicals.

The Tory programme would render unlawful a wide area of what had been considered normal trade union activity. It was a crude attempt to reinstate some of the elements of the 1971 Act, Mr Miller

also attacked recent court judgements on industrial relation issues. These judgements were political, said Mr Miller, and were based not on law but on what the judges considered the public believed to be in the national interest. Courts were usurping the power of Parliament, he claimed.

Mr Miller's attack on the influence of law on industrial relations brought a sharp reaction from Mr John Harvey, a leading Queen's Counsel and a former Conservative Party Parliamentary candidate. Judges had a proven integrity and were incorruptible, Mr Harvey told the conference, organised by Oyez International Business Communications.

What was sacrosanct about any area of life which required that the law should prevail? Mr Harvey asked. Why should there be a presumption that unions act infallibly within their rules? Mr Harvey said that unions had no desire to defy the High Court.

In line with current Conservative thinking, he indicated that changes in the law should be within the confines of present legal institutions. He criticised the formation of separate industrial courts, as in the 1971 Act, which he said were isolated and vulnerable to attack.

Largest steel union settles below 10%

BY CHRISTIAN TYLER, LABOUR EDITOR

ANOTHER public sector wage agreement of under 10 per cent was reached yesterday, between the British Steel Corporation and its largest union, the Iron and Steel Trades Confederation.

The Corporation's relief at reaching a deal with the ISTC's 80,000 manual and 20,000 staff members was marred by the refusal later in the day of the craftsmen's unions to accept the same terms.

The Corporation said that such of the cost of the deal, which is backdated to January, would be recouped by local productivity and the industry's work-measured incentive scheme.

Postal disruption ending

By Alan Pike, Labour Correspondent

POSTAL SERVICES in the London area show signs of returning to normal after unofficial industrial action which caused serious disruption last week.

Council clerks may claim 15%

BY PAULINE CLARK AND ALAN PIKE

REPRESENTATIVES of 500,000 white-collar local government staff will be asked next month to endorse a pay claim for 15 per cent plus a comparability study similar to the one being undertaken for public-sector manual workers.

The National and Local Government Officers' Association will press for a comparability exercise on the same terms as the one covering manual workers, with an immediate payment on account and payment of 50 per cent of the award in the current wage round.

The National Craftsmen's co-ordinating committee, representing 41,000 workers, registered failure to agree—for the third time in the course of its negotiations.

BSC yesterday also guaranteed minimum earnings of £50 a week—but steel process workers already earn well over that and only a few hundred are said to be likely to benefit.

However, the Post Office said yesterday that in spite of some improvement it could not yet remove restrictions on rebate and bulk postings for or through London.

This is likely to present the union with a battle. Ministers have made it clear that the time-scale for paying the manual workers' comparability award, 50 per cent in August and the rest next April, was a special recognition of their low-paid status.

Other groups can expect to wait longer before recommendations of the new standing commission on comparability take effect.

Highland oil strike over

Financial Times Reporter

THE TWO-MONTH unofficial strike by 1,550 construction workers at the Highland oil platform at Nigg, Ross-shire, is over.

'Severe damage' caused by advert blacking

FINANCIAL TIMES REPORTER

BOOTS and Trust House Forte would suffer very severe damage if a print union was not ordered to lift its ban on their advertising, their counsel told the Appeal Court in London yesterday.

Nothingham paper. It was not only the question of the gravity of damage. The court was entitled to consider the widespread inconvenience to newspapers, members of the public and even members of the NGA, said Mr. Alexander.

Mr. Lon McLaren, for Nottinghamshire Area Health Authority, said the blacking campaign had hit the obligation to advertise for doctors, nurses and other hospital staff. At present there were 440 staff vacancies.

Lord Justice Lawton said: "Quite apart from what Parliament has said, people may be dying because the right kind of consultant is not there. Nothing can be done for them?"

The hearing continues today.

Field day for fare evaders

Financial Times Reporter

LONDON TRANSPORT train ticket collectors went ahead yesterday with their refusal to handle excess fares—giving bikers a variable field day.

Miners seek rule change

BY CHRISTIAN TYLER, LABOUR EDITOR

THE BIGGEST area within the National Union of Mineworkers, Yorkshire, is making a new attempt to extend the large coalfields' representation on the union's executive committee.

At present the executive splits 15% in the Right's favour. Yorkshire's proposal would increase the size of the executive and bring voting strengths more in line with the Left and Right area memberships which total about 126,000 and 135,000 respectively.

The 2,000 collieries, all members of the National Union of Railwaymen, staged their day of protest because they are angry at allegations that they are pocketing up to £2.5m a year in cash handed to them by travellers.

Another Left-wing led area, Derbyshire, is proposing that the presidency and general secretaryship—currently held by Mr. Joe Gormley and Mr. Lawrence Daly—should be subject to regular re-election every five years, along with all full-time area officials.

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COMPANY NOTICES

NIPPON MEAT PACKERS INC. (CDRs) Business results of the first half year, ended January 31, 1979, as compared with the same period of last year (parvul company only).

INTERCOM SOCIETE INTERNATIONALE BELGE DE GAZ ET D'ÉLECTRICITE. NOTICE OF AN EXTRAORDINARY MEETING OF THE GENERAL MEETING OF THE COMPANY.

NOTICE TO BONDHOLDERS IMATRAN VOIMA OSAKEYHTO 9% 20,000,000 European Units of Account 1975/1985 Guaranteed Bonds.

CENTENARY FUND S.A. NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS.

PRUDENTIAL CORPORATION LIMITED. NOTICE IS HEREBY GIVEN that the Transfer Agent and Registrar of Members of the above Company will be closed from the 27th April 1979 to 3rd May 1979.

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ART GALLERIES. LAMPFORD GALLERY, Covent Garden, 1, Broad Street, London, W.1. Paintings, Watercolours and Colours of London and the British Isles.

A PRECIOUS EGG FOR EASTER. The 1979 Easter Egg continues the established series of precious Easter Eggs designed from well known English churches which have proved so very popular with both investors and collectors of fine objects.



English Churches Series. The design incorporates the beautiful lantern ceiling with its central sun and surrounding planets to be found under the Tower of The Abbey of The Blessed Virgin Mary, Tewkesbury. On the Egg, this is surrounded by Primroses which are so characteristic of the gentleness of spring.

Handwritten signature or mark at the bottom of the page.

THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

Innovation and production: Christopher Lorenz analyses three new international reports

Philips changes its approach to pulling in the winners

ONE OF the most technology-minded companies in Europe, Philips, is trying to give more emphasis to "market pull" innovation as opposed to the "technology-push" variety which originates in the research and development department. This significant shift in the policy of the electronics giant emerges from a booklet it has just produced on "Innovation in a multinational industrial company".

Engineers: leaders in Japan but laggards in Britain

ANYONE WHO still doubts the need for an urgent drive to improve the quality of production engineering in much of Europe—particularly in Britain—should take a look at two documents: a most revealing paper, by a Tokyo-based diplomat, on how Japan is gearing up for its industrial future; and a depressing new report from the British Institute of Management on the career development of UK production managers.

Cost consciousness boosts Civil Service savings

AMID ALL the controversy about the level of public spending, the Civil Service has quietly produced figures which show that a simple departmental "cost consciousness" exercise has produced savings of about £5m in one year. What is remarkable about the cost consciousness campaign launched last year is not the level of savings but the methods used to achieve them and the minimal funding required.



These, the report says, are typified by production engineers' relatively low educational standards and professional qualifications, their limited experience of other functions, and their modest aspirations of career progress. The report argues that production managers' main educational shortcomings are managerial, rather than technological. It says that the cited sources of least satisfaction among production managers—labour difficulties, and lack of significant influence at the top and on marketing and design—are inevitable consequences of the present "Cinderella-like" nature of the production function.

Fringe benefits

Serious consideration should be given to the introduction of the "factory director's team" at each level in the organisation, giving production managers their own support staff of accountants, quality control and IR specialists, among others. Needless to say, the report also calls for salaries, fringe benefits and working conditions to be "not less attractive" than those for other executives.

High pay

Engineers hold 67 per cent of board seats in the major Japanese manufacturing industries, according to a survey cited by Mr. Prentice. In some of the high technology areas, such as electronics and chemicals, all board members were engineers.

Business courses

Telecommunications Today—A User's Perspective, London, May 10-11. Details from ISL Information Studies, Regal House, Lower Road, Chorleywood, Rickmansworth, Herts., WD3 5LQ.

The alternative to vehicle leasing

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Telecommunications today - a user perspective 10-11 May, London. A two-day conference assessing the trends and developments in telecommunications influencing the use and directing the growth of data communications in European organisations. Further details from: ISL Information Studies Ltd., Regal House, Lower Road, Chorleywood, Rickmansworth, Herts. WD3 5LQ. Telephone: Chorleywood (08278) 4244.

FINANCIAL TIMES SURVEY

Tuesday April 3 1979

كلمة من الشرق

Panama

The coming hand-over of the Canal by the U.S. is a great moment in history for the Panamanians. It will also provide opportunities for much needed economic and social development in a country where the gulf between rich and poor is dangerously wide and a lasting source of political friction.

Gates open to change

Hugh O'Shaughnessy

A STUDY of the car number plates circulating in Panama throws an interesting light on the country's state of affairs. Cars from the Canal Zone, a strip of land which stretches five miles each side of the Panama Canal, bisecting the Republic of Panama, and which is at the moment controlled by the U.S., bear the legend "Canal Zone, Panama, Republic of Panama".

before the expected deadline of October 1 when the U.S.-controlled zone ceases to exist. The Panamanians are expressing their rejection of the U.S. control over what for most of this century has been a country within their country.

While the U.S. government counts its pennies the Panamanians are celebrating in advance what they see as a splendid political victory. It doesn't stop there. The Panama telephone book bears the legend: "Sovereignty in the Year 2000." Seldom has any country lived so intensely for the future.

The coming months should indeed bring profound changes to Panama. On September 7 1977 President Jimmy Carter and Gen. Omar Torrijos, Panama's then head of government, signed new treaties which covered the abolition of the Panama Canal Zone as such, the reversal of full jurisdiction over the area to Panama's government and the winding down of the system of U.S. police and courts over a 30-month period. The treaties also covered continued management and defence of the 50-mile long waterway by the U.S. and Panama.

The Carter-Torrijos treaties were approved by a referendum of the Panamanian voters on October 23 1977 and the U.S. Senate approved them in April last year. The documents are now going through their final and penultimate stage of ratification in the U.S. House of Representatives, a process that Mr. Carter is bending every effort to have

completed by the October deadline.

If by any mischance the process were held up in the House by the Bill's hard-core opponents there can be no doubt whatsoever that this would lead to a burst of nationalist anger in Panama at least as great as, and probably much greater, than the riots of 1964 in which much property was damaged and more than a score of people lost their lives.

Leaving that, happily rather remote, possibility aside Panama by the end of the year should be master in its own house and the nationalist pressures which have bedevilled Panama's relations with Washington to a large extent relieved. That fact will have deep and far-reaching effects on the economic and political structure of the country.

The economic efforts of the move will be in the main very positive. Panama's direct income from the Canal will go up sharply. The Panamanian Government will receive an annual payment of 30 U.S. cents per ton of shipping using the Canal, and an additional fixed sum of \$10m per annum which may be doubled if Canal revenues permit it. There will be a \$200m Export-Import Bank credit, up to \$75m in housing guarantees from USAID, \$20m in guarantees from the Overseas Private Investment Corporation and a \$50m loan for the National Guard.

More importantly, the Panamanian Government and businessmen will have access to the economic opportunities provided by one of the world's great

waterways. The ports at each end of the Canal will be turned over to Panama and the chance will be there for Panamanians to develop bunkering and ships chandlery for vessels in transit.

At the Caribbean end of the Canal the freeing of new land for the development of the city of Colon could help to relieve the enormous political pressures which obtain there because of the appalling housing and employment situation.

The Colon Free Zone, discussed at greater length later in this survey, will be able to grow, slim clearance will be allowed to go ahead, tourist facilities may be built and the development of new assembly industries made possible.

With the threat of a new big political explosion passing the climate for investment will improve, confidence will return and the economy pick up. Such a recovery is long delayed and desperately needed. For the past four years there has been no growth at all in the Panamanian economy so that with the continuing growth in the population of about 2 per cent a year real average incomes have fallen, creating an unenviable situation for the managers of the economy. With the building industry starting to refill its order books there are the first signs of an end to the economic nightmare which Panama has experienced for much of this decade.

The slimming down of the U.S. presence, which is in any case to be slow and limited with troops using Panama up to and possibly beyond the year 2000, does not appear to have

frightened off the financiers from what is still one of the world's most important offshore banking centres, and a small but growing base for re-insurance.

The bankers and insurers have been comforted by the fact that the U.S. dollar will remain the Panamanian currency and that there are no plans to set up a central bank. The U.S. legacy, which might better be described as the imprint that the U.S. has made on Panamanian society, will not disappear for a long time. One very useful aspect of the U.S. presence has been the consolidation of English as the second language of Panama, a fact which gives an advantage to Panamanian businessmen and to much of the urban workforce whose ancestors came from the English-speaking territories of the Caribbean. A second useful aspect has been the exposure of Panamanian society to the ways of U.S. efficiency.

The inhabitants of Panama City saw on their side of the wire-mesh fence marking the boundary of the Canal Zone the slums of Calidonia, rows of wooden barracks which appeared not to have enjoyed a lick of paint since they were erected 70 years ago for the labourers who dug the Canal.

On the other side of the fence were the pleasant lawns and desirable housing of the Zonians, as the mostly U.S. inhabitants of the zone are called. The distance between Calidonia and the Zonians is not more than a few hundred yards and the inhabitants of each can clearly see their neighbours across the fence.

That part of the street which divides the two quarters is called President Kennedy Avenue when it runs on U.S.-controlled land, changing to Avenue of the Heroes when it runs on land under Panamanian jurisdiction. The heroes referred to were those Panamanians who lost their lives at U.S. hands during the 1964 rioting. There were few Panamanians

and it may well make the political problems which face Panama's political leaders after October more intractable.

For decades now the major political struggle in Panama has been that to reassert Panamanian authority over the enclave which cut the country in two and was seen by Panamanians as an affront to their dignity. This political fight was made tangible to most Panamanians by the facts of everyday life.

The negative part of the U.S. legacy is that the urban dwellers, particularly the inhabitants of Panama City, have been educated by the existence of the high standards of living in the zone to expect the sorts of consumerism current in many parts of the U.S. Such standards plainly cannot be guaranteed by Panama at the present stage of its development.

Panama's present leaders are well aware that politics are going to take on a different complexion and are organising to meet the challenge. The most important figure in Panama has been Gen. Torrijos, who took power in a coup in

Indeed who did not want the removal or at the very least the diminution of the U.S. presence in their country. Washington's argument that it was U.S. drive and money which realised the project started by the French engineer Ferdinand de Lesseps and that therefore the U.S. government had a right to keep its position in Panama was not one which moved many Panamanians who, at all levels of society, have therefore been united in one overriding common cause.

Come October this great unifying factor in Panamanian life will disappear or at least be substantially weakened. From October onwards politicians will sink or swim in accordance with what the various interest groups and electorate think about their conduct or the affairs of the country, rather than how vociferous or effective they have been on the issue of Yankees Out.

There is, therefore, every possibility that politics will become the arena for struggles between poor and prosperous Panamanians, between town dwellers and country people, among employers, the employed and the unemployed and among traders, industrialists and consumers.

The strains that would be placed on the Panamanian political and social structures by such struggles would be enormous.

There are great disparities of wealth in Panama which make for great political frictions. The contrast between the San Miguelito slum area and the Las Cumbres upper middle-class residential district in Panama City is pretty much as great as any contrast between rich and poor in Latin America.

Then there is the great gulf which separates the maldistributed wealth of Panama City itself and the almost hopeless unemployment situation of a people out of 10 in the workforce are jobless and where mugging and robbery are a way of life. "Colon is a volcano," one frank and honest public relations executive murmured to me as we drove round the city last month.

Not least worrying is the gap which separates the country people and the indigenes like the Cuoa and the Guaymil who have very little, and the townspeople who either have or feel they could be in reach of a materially satisfying life.

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There were few Panamanians

CONTINUED ON NEXT PAGE

PANAMA OFFERS EXTRAORDINARY OPPORTUNITIES TO INVESTORS

The Government of the Republic of Panama, through its financial development agency, Corporacion Financiera Nacional (COFINA), has projects available to foreign investors totalling approximately US\$ 27,206,000. These projects have Government support and its assurance of a tranquil atmosphere. This stability is best demonstrated by the \$3 billion bank operating in the Republic of Panama.

COFINA, the National Financial Corporation, is a Government financial development agency with corporate powers, its own patrimony and autonomy in its internal relations. The Corporation was created by the National Government of the Republic of Panama on the 1st of December 1975, principally to increase the economic production activity of the country.

COFINA's main responsibilities are:

- To promote and finance business projects leading to economic development;
- To develop the domestic capital market;
- To enhance an investment climate conducive to the development and expansion of business;
- To seek and attract foreign investors to participate in COFINA sponsored projects as a way to secure permanent capital and required technology.

COFINA finances primarily those specific projects that have priority in terms of investment and assists in the strengthening of existing firms in order to stimulate an increase of production, exports and other economic activities.

For the Corporation, promotion is one of its primary functions. This involves all the work necessary to generate and materialize investment projects. As a promotion entity COFINA takes the initiative identifying new investment opportunities, undertakes feasibility, engineering, and other studies that are

necessary to evaluate and implement new productive enterprises in association with private firms, by itself or by other means.

COFINA provides information concerning investment opportunities and hears part of the costs for this as a stimulus for the investment activity.

The objectives of COFINA are:

- Generation of new sources of employment and income.
- Take advantage of the country's raw materials.
- Strengthening of foreign trade.
- Distribution and adequate participation of Panamanians in the economic growth.
- A more balanced regional development.
- Incorporation of new techniques, know-how and aptitudes that improve productivity and strengthen scientific-technological development of the country.
- Strengthening of existing firms and incorporation in the investment process of a major component of national materials, engineering and other inputs.

To achieve its objectives, COFINA has access to many sources of funds including the full faith, credit, warranty of the Republic of Panama.

To foreign investors the tradition of Panama as a financial and service centre based upon a dollar economy with no restriction whatsoever on the repatriation of capital and profits and a very generous tax system, further improves the investment opportunities offered by COFINA.

Investment opportunities through COFINA: The most typical forms of direct investment in business projects that COFINA has available are:

- Development of business projects of interest to COFINA by investors that could furnish the necessary technology or marketing expertise. Such projects may receive

through COFINA as much as 100 per cent of the required financing and minority equity participation, if necessary.

- Joint equity participation in COFINA sponsored projects. Such projects may be either development with other shareholders or with state owned corporations.
- Investments in a diversified group of projects sponsored by COFINA for those wishing to invest on a broad base. COFINA offers participation in one or several of the many projects in which it has equity positions.

Loan operation: COFINA offers the following loan operations:

1. Loans for the acquisition and installation of fixed assets;
2. Loans for working capital;
3. Loans to finance exports;
4. Loans for the strengthening of priority production firms whose limited liquidity obstructs increases in production;
5. LIFEPE: Finance line for pre-investment studies.

Participation in SOCIAL CAPITAL: In some situations COFINA promotes on its own or at the request of private firms, the formation of joint ventures. The following guidelines are used:

- Participation in enterprises or priority projects whose techno-economic feasibility has been demonstrated and other conditions necessary have been met for a satisfactory implementation of the initiative between the parties and COFINA.
- The corporation avoids redundant competition with the private sector in projects that this sector has in progress or is about to initiate. The purpose is to mobilize the private capital and not replace it.
- The participation is made under the terms and conditions which each specific case merits, considering the financial capacity of the private investors, the risks that

are taken, the financial sources available and other elements that assure a satisfactory effort.

Identification and promotion of projects: COFINA, in its role of financial entity for development has the function of identification and promotion of new projects. We now present a list of projects that are in the primary stage of promotion and study and which COFINA believes will contribute to the economic development of the country and which require local and/or foreign investors, as well as know-how.

PLANNED PROJECTS

Industrial projects

- Air conditioners. Electrical appliances for domestic use. Spectacle frame-making plant. Sporting goods plant. Ball-point pen factory. Paintbrush and tooth-brush making plant. Welding electrodes. Farm implements. Special optical and contact lenses. Bicycle tyre and tube making plant. Utensils for domestic use. Waterboard. Asbestos brakes and clutches. Medical materials. Sandpaper. Office products (staplers, etc.).

Agro-industrial projects

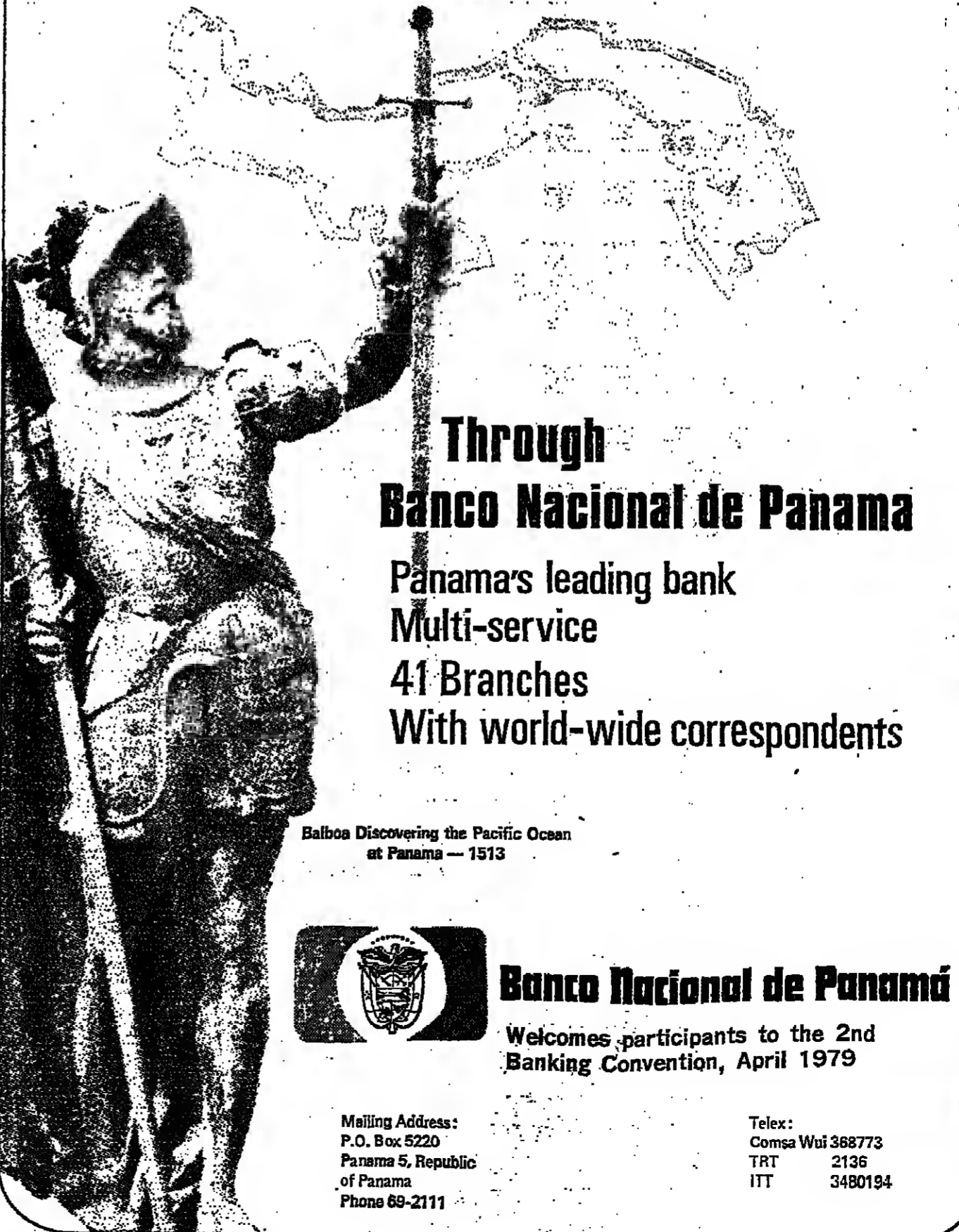
- Pepper. Rice. Bran. Oil. Castor-oil and coconut processing plant. Vegetable processing and refrigeration. Industrialisation of cacao. Potato processing plant. Industrialisation of plankton. Animal feed. Milk processing. Fruit processing. Fish-sausage making and cheese making plant.

PROJECTS UNDER CONSIDERATION

- Antibiotics. Dry cell batteries. Adhesive tapes. Semiprecious gems. Plastic syringes. Water-meter plant. Synthetic resin. Refrigerators, stoves, dryers. Battery cases. Lemon processing plant. Achiote. Cashew-nut processing plant. Industrialisation of sharks.

COFINA has developed with foreign companies, industrial, agro-industrial and tourist projects. Such is the case with the Holiday Inn Hotel, Convention Center Hotel and the Glass Bottle Factory Project.


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PANAMA'S four-year-old recession is showing some signs of easing up, but unless the gradual handing over of the Canal to the Government brings the much-heralded beginnings of an economic upturn, many people believe that the economic crisis could deepen.

The country's \$2.4bn Gross Domestic Product grew by a more promising 2.7 per cent last year, compared to 1.5 per cent in 1977 and a near standstill in 1976. But the country's immense structural problems and narrow economic base, a public debt which is as great as the GDP, and growing discontent among workers, whose wages have fallen way behind

price rises, cloud the horizon.

Panama went into recession after the 1973 oil price increases. Growth in the economy, which reached by a record 7.8 per cent in 1973, declined to 2.8 per cent in 1974. Oil imports shot from \$68m to \$270m. Exports, which are little more than bananas, shrimps, cocoa and some petroleum products, were badly affected by the international trade recession. The construction industry, which in the immediate years after the 1968 coup of General Torrijos underwent a boom, then dried up.

Panama's trade deficit last year was almost \$800m and the construction industry, despite a 10 per cent increase in the building of middle-income homes, declined as a whole by 3 per cent. Inflation was officially only 5 per cent, but this figure, based on crude statistics, far from reflects the real increase in the cost of living, which has been substantial.

The president, Sr. Aristides Rojo, has predicted that the economy could grow by as much as 10 per cent over the next two years, as a result of the greatly-increased share which Panama will obtain from the Canal after the treaty comes into effect in October.

Such a growth rate is viewed sceptically. This year the economy is expected to grow by about 3 per cent, which leaves 7 per cent to be achieved in 1980.

Panama will receive between \$50m and \$60m a year from the U.S. after the treaty instead of the present \$2.3m. This will take the form of a \$10m annuity, a \$40-50m share from the Canal's traffic, a possible contingency payment of \$10m if the Canal makes a profit, as it did last year, and a further \$10m reimbursement from taking on services such as rubbish collection and fire prevention.

Panama's responsibilities for the Canal will increase, but so will the Canal's contribution to the economy. Estimates vary but general opinion is that the economy could grow by an average of four per cent a year during the first five years of operation, beginning in 1980. The canal now contributes about \$250m in the form of wages to Panamanian workers and purchases and this could rise to \$426m by 1985.

A more optimistic version is that if the handing over of the canal, and availability of land in the zone, sets off a private and public investment boom, the economy could grow by as much as nine per cent a year.

The Colon Free Zone, separate from the Canal Zone, where one of the world's largest and most crowded free-trading areas is housed, is crying out for more space. More than 200 companies are in line to increase their warehouse space once the land is handed over but the government's

PANAMA II

Recession could be lifting at last

Second, the Government now recognises the importance of the local private sector, which was frightened off by populist rhetoric under General Torrijos. Foreign investors were not very worried by it.

President Rojo declared in his New Year's message: "I firmly believe in private investment. But to lure back local private investment, which last year was about \$160m compared to \$306m in 1976, the government will have to maintain almost intact its highly unpopular Law 95.

This controversial law was introduced in 1977 to tighten the liberal 1972 labour laws, which made the dismissal of workers difficult. Law 95 prolonged labour contracts for two years from the date of expiry and so effectively imposed a wage freeze. This year there are 247 contracts which come up for renewal and there are pressures from workers to scrap the law.

Last year the government was able to put off the problem because there were no contracts to negotiate, but now there are growing demands from workers to do away with it and from employers to maintain it.

Workers' wages have been long held back and a flood of demands is building up. The private sector is holding back from investing until it knows which way the government will go on this issue. The general consensus is that the government will maintain Law 95 in a modified form and at the same time try to convince workers of the necessity of wage restrictions.

To the Government's advantage, and also the private sector's, very few workers belong to unions and so the possibility of a general strike is remote. It is estimated that about 10 per cent of the workforce belongs to unions. There are no unions for civil servants, in the Colon Zone and in banks.

To offset the sharp decline in private investment the Govern-

ment launched an ambitious development plan. The effect of this on the public debt has been staggering. The average level of public sector investment rose from \$15m a year during 1970-1975 to \$400m a year during 1976-78. The debt is now \$2.4bn, probably the highest in per capita terms in the world. It is eight times greater than the value of 1978's exports.

Choices

Nobody seems unduly worried by the debt, which last year increased by \$570m and cost the Government more than \$350m in amortisation and interest, because there is no shortage of banks in Panama ready to give the Government soft loans.

The Government's policy of not relying on tax revenue to finance much of its investment means that taxes in Panama are light, but foreign borrowing is heavy.

The budget for 1979 is \$848m, a 7.6 per cent increase on 1978. All of the increase goes to Government operating costs which are up 17.4 per cent to \$453m and will be covered by revenues.

Public sector investment is almost \$400m. The Government therefore will be looking for foreign credits worth over \$400m to cover investment costs and amortisation this year.

The largest part of the public investment is for infrastructure. Agriculture receives 15 per cent and commerce and industry 8 per cent.

With such problems Panama will find it difficult to achieve sustained economic growth. Gen. Torrijos once said: "Before we can contemplate the ideological choices for the distribution of our wealth, we must first create that wealth. One cannot distribute imaginary wealth." The danger is that this absence of growth will be capitalised on by the Government's opponents on both the Right and Left.

William Chislett



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policy towards expansion in this area has not been defined yet.

Apart from the Canal Zone and the Colon Zone, Panama's economy is based on two other economic "enclaves" which are foreign controlled. These enclaves—the two zones, the international financial centre and bananas (United Brands, formerly United Fruit)—are the most productive sectors of the economy.

If to these are added tourism and industry, which produces almost exclusively for the service industries, then it can be argued that they generate as much as 80 per cent of the GDP. But these combined sectors employ less than half the work force. Agriculture contributes 16 per cent of the GDP and occupies about 40 per cent of the work force.

Traditionally, Panama has always been little more than a platform for other countries' services. First it was Spain and now mainly the U.S. This has been fine for the countries concerned but has not solved Panama's economic problems. The economy revolves around the axis of multinational services.

True

It is true that the "enclaves" provide much-needed employment, which otherwise might not exist. In a country where officially the unemployment level is nearly 10 per cent and unofficially at least twice that, this is important. It is also true that the Canal will contribute more to the economy after it is handed over.

But the dominant role played by the enclaves has created a dual economy and serious structural problems, probably more pressing in Panama than in other Central American countries. In 1977 the per capita GDP in the rural sector was \$411 compared to \$2,079 in the urban one.

While home industries such as construction and agriculture are in a depressed state, the enclaves have not ceased to expand and the gap between the two economies has widened. The problems of such a gap could be brought to a head after the canal treaty comes into effect for the Government must take several vital decisions.

First, Panamanians working in the Canal Zone are paid the minimum U.S. wage of \$2.90 an hour compared to about 60 cents an hour which is the national minimum paid to most workers outside the zone. After October, when the Canal gradually becomes part of Panama, it may not be politically convenient for the Government to continue to maintain the difference. It is likely that the lower paid will benefit more and the difference narrowed.

On the other hand, canal workers are in a key occupation and the Government cannot afford for them to down tools.

Change

CONTINUED FROM PREVIOUS PAGE

1978. As "leader of the Panamanian revolution" and commander of the 10,000-strong National Guard he was chief of government until near the end of last year and was the moving spirit behind the new deal that Panama got out of Washington on the Canal question. A man who has little patience with the intricacies of protocol, Gen. Torrijos has generally ruled from behind the scenes, leaving the presidency to a man who enjoyed his coexistence.

Autonomy

Last year he decided that that man should be Dr. Aristides Rojo, a young lawyer who had taken a prominent part in the detailed negotiations of the Carter-Torrijos treaties. Dr. Rojo was duly elected by the legislative assembly and took office on October 11. Dr. Rojo has been given more autonomy of action by Gen. Torrijos than was given to his predecessor. Sr. Demetrio Lakus, as his international tour this month indicates.

President Rojo, with Gen. Torrijos backing, is now launching a new political initiative which owes much to Mexican experience. Once they have fulfilled certain stiff criteria parties will be granted permission to operate for the first time since 1968. However, the reformist ideas which Gen. Torrijos has expounded seem destined to be paramount guaranteed by a new official party the PRD or Democratic Revolutionary Party which has just been launched by the government.

Modelled to a great extent on the PRI or Institutional Revolutionary Party of Mexico which has held office there for 50 consecutive years, the PRD seems destined to group all the major political interests in the country and act as broker between management and

labour, town and country, private and public sector. Government spokesmen have made enthusiastic claims for the degree of acceptance the PRD has been receiving throughout Panama in the few weeks since its launch.

The opposition has been claiming that the government has been playing unfairly by recruiting into it the civil servants and their families and indicating to those businessmen wanting to trade with the government that their chances of contracts would improve enormously were they able to produce a PRD membership card.

The PRD has indicated its international stand by seeking a link with the Socialist International group of social democratic parties, though this link has not been forged so far.

It remains to be seen whether the idea will take root in Panama. At first sight it appears to have a good chance of success because Gen. Torrijos is still popular and the opposition is in disarray. Though Panama, with a population of fewer than 2m, seems able to produce a score of different political parties, only two, the Liberals and the Partido Panameñista of the ageing political veteran Arnulfo Arias, have much popular following. The opposition has launched a coalition but it is uncertain how effective any joint action will be.

If the dismantling of the Panama Canal Zone and the lower profile adopted by the U.S. in Panama is accompanied by an upturn in Panama's fortunes, the PRD undoubtedly will claim credit for the phenomenon and may well reap a political harvest. But if it is to survive for more than a few years it will have to learn quickly the skills of power broking in a country where politics are by tradition volatile and are changing very fast.

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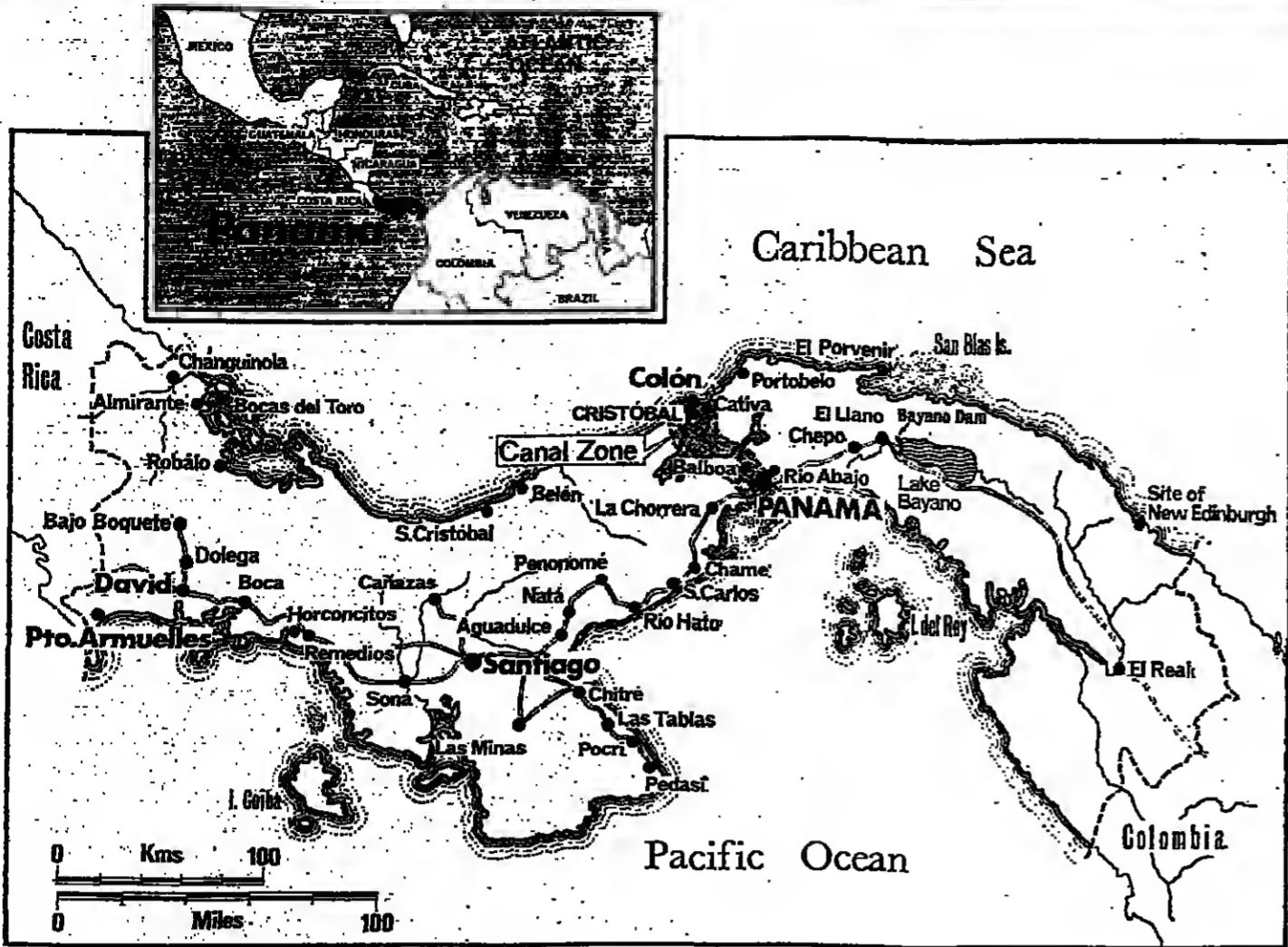
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PANAMA III



Men at the top

"ROYO IS certainly a man with progressive ideas. The businessmen used to talk him as a Communist which was nonsense. Anyway, he has tempered his attitudes since he became president." This frank comment on the President of Panama by a prominent Panamanian politician gives a sense of the pragmatism of one of the world's youngest heads of state.

Dr. Aristides Royo, who visits London later this month, is a man who has climbed to the highest, though not the most powerful, position in Panama before his 39th birthday. Unsurprisingly, he achieved this by a combination of his two most obvious qualities: ambition and competence, together with a reputation for honesty.

Born near Panama City in 1940, Dr. Royo got his first taste of politics studying in the often turbulent National Institute in the capital, then went to Europe to study law at Salamanca and win a doctorate at Bologna.

Back in Panama in 1965 he joined the office of the public prosecutor, took up judicial practice and formed part of the commission which drafted a new penal code and a new constitution. He was named Minister of Education in 1973.

As he was identified as a nationalist and had legal qualifications that few Panamanians could display it was natural that he should be chosen by Gen. Omar Torrijos to become a member of the team which took on the exhausting process of negotiating with the U.S. the new treaties on the Canal which were signed by Gen. Torrijos and President Carter in 1977.

The successful outcome of those negotiations which opened the door to the fulfilment of Panama's main national aspiration, the dismantling of the quasi-colonial U.S. presence in the country, reflected well on all the negotiators. It was there-



fore to be expected that when the effective ruler of Panama was looking round for a man to occupy the presidency of the republic he should have recourse to the negotiating team. His choice fell on Dr. Royo.

PROFILE: President Aristides Royo

However, the General obviously wanted more of an activist as head of state than was his first president, Demetrio Lakas. Dr. Royo probably would never have been content to be the figurehead that President Lakas was, and has shown himself eager to take many more initiatives than his predecessor.

He nevertheless maintains the closest contact with Gen. Torrijos in whom the ultimate power in the land lies because of his position as commander of the National Guard, Panama's only armed force.

In the few months he has been in office he has moved to calm fears of the business world that he was Red in

tooth and claw, absurd though these fears may have been.

Dr. Royo has his office on the first floor of the Palacio de las Garzas, the former residence of the Spanish governors in the old quarter of Panama City, which gets its name from the elegant white birds which are housed on the patio and pick their way fastidiously round the palace fountain.

He enthusiastically proclaims an optimistic view of Panama's future which is at times breathtaking. No, the foreign debt situation is not serious. "If we had spent the money on arms or non-productive investments it would be different but we've spent foreign loans on productive projects, dams, sugar mills, roads."

"But weren't the sugar mills losing money?" "Yes, but, you'll see, when the sugar price picks up they'll be seen as very fine investments."

"The Cerro Colorado copper project will make Panama a major producer of metal." Dr. Royo dismisses the very real concern that exists in Panama for the indigenous peoples who live in the area.

"No Indians live there. And anyway it's the Indians who have been fighting hardest for the Cerro Colorado scheme to go ahead."

Dr. Royo is keen that Panama should develop as a world banking centre. "We have no plans for more banking regulations. We don't intend to set up a Central Bank. The dollar will continue to circulate."

The President says he is coming to London to thank Mr. Callaghan personally for the support Britain has given Panama in the past and to try to tempt British business to take more of an interest in Panama.

Dr. Royo's first foreign tour as President will take him to the United Nations and a number of other European

countries besides Britain. It is seen as a way of making both him and his country better known abroad.

He certainly has the polish and sophistication to hold his own in most international gatherings—after all, he cut his teeth politically against some of the world's toughest negotiators.

What he still lacks, according to political analysts in Panama, is a share in the personal magnetism of Gen. Torrijos which is one of the most valuable attributes of the strong man of Panama.

One Panamanian put the difference between the two men like this: "Torrijos talks to everyone and takes an interest in them. Royo tends to commit the error of only talking to the important people."

Hugh O'Shaughnessy

"CYNICS SAY that we are a stooge party for the Government. Well, my answer to them is: wait and see," says Sr. Nicolas Gonzalez Revilla, secretary-general of the Revolutionary Democratic Party (PRD), and former Foreign Minister.

The PRD started recruiting members in March in preparation for next year's elections for some places in the rubber-stamp legislative body. There will be general elections in 1980.

The PRD already claims tens of thousands of members. One of the first people to join the party was the country's president, Sr. Aristides Royo.

The party is the culmination of the political process started on October 11, 1968, when Gen. Omar Torrijos came to power in a coup d'etat. The number 11 is the party's emblem on the national flag and Omar, as Gen. Torrijos, head of the National Guard, is called by the PRD, is often cited in the party's propaganda.

I met Sr. Revilla three days after the party launched itself and he was in an effusive mood. "We believe that by defending the political system in Panama we are in fact promoting real democracy."

"Of course, it is not perfect and needs to be made better. At the same time what we have here is much closer to real democracy than exists in the so-called democracies in other Latin American countries."

The party's headquarters is in the old part of Panama City and is decorated with posters and pictures of Gen. Torrijos. Secretaries were busy receiving calls from other parts of the country and marking up on a board the number of shirts and flags distributed.

The PRD is modelled on Mexico's ruling Institutional



Revolutionary Party (PRI) which celebrated its 50th anniversary in power in March. The PRI has given Mexico an unprecedented period of political

PROFILE: Sr. Nicolas Gonzalez Revilla

stability and the PRD would like to do the same for Panama. The two parties have similar names and philosophies and both speak of their respective revolutions with glowing rhetoric.

Sr. Revilla, sporting a typical embroidered yellow Panamanian cotton shirt, was hesitant to make too many comparisons with the PRI.

However, he did admit that the PRD was the official party from Panama which was invited to the PRI's anniversary celebrations. "Ours is a party of labour and the private sector and we-

believe that we can live happily together. In England you have a polarised society with your Labour and Conservative parties. And who suffers in the middle? Why, England."

His description of the PRD made it sound remarkably like the PRI, although he denied that the PRD wanted to be "institutionalised" the Panamanian revolution as the Mexicans had done theirs. "Our party will support the government, but it will also criticise it when it feels that it is not acting right."

Sr. Revilla is only 33. He graduated in economics from the University of Panama and then studied in Chile and Georgia in the U.S. He was a business consultant until 1973 when he was named Panama's Ambassador to Washington and negotiator of the Canal treaty, a post he held until February 1977, when he became Foreign Minister.

Opposition parties, apart from the pro-Soviet Communist Party, have rejected the government's political reform law which calls for a party to have 30,000 members before it can campaign in elections.

Sr. Revilla did not hide his scorn for the parties to the PRD's Right and Left which are refusing to register. "If they don't like the system they can win the elections and change it. In fact, the people like the system. The opposition parties want power but they are not prepared to work for it—they want to be given it."

Sr. Revilla noticed me smiling at these ironic remarks and soon afterwards, as he ushered me to the door, said: "If you don't believe what I am saying then wait and see. Come back and see the facts."

William Chislett

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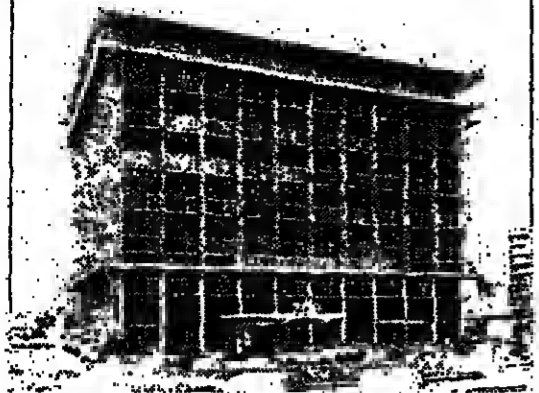
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THE FIRST taste that any traveller by sea from Europe gets of Panama is the city of Colon. It is not the most pleasant taste. Stuck out on the end of a small peninsula, cut off from the rest of Panama by the territory of the Panama Canal Zone, Colon sits in the sun and fester.

Its population has the highest rate of unemployment in the country and much of the city consists of the barracks which were put up for the workers who dug the waterway. It is a violent place where once a criminal quarter was once known as the "bamboo grove" because of the ease with which delinquents could hide there. There are a few pleasant spots such as the Washington Hotel with its casino, avenue of royal palms and its Rotary lunches. But most of the people in Colon cannot afford the prices. Colon enjoyed a modest prosperity during wartime when the Canal was much used by the navies of the Allied side, but when the belligerents inconsiderately stopped fighting Colon sunk back into its sweltering tropical torpor.

Except that is, when it came to politics. The Colonians are anything but torpid in politics and one still bears tall of the time a few years back when thousands of them marched the 50 miles to Panama City, took over the legislature, named their officers and started protesting against the lack of work in their town. Colon is definitely not to be messed with.

It was as a peace offering to Colon and its unemployed that the Free Zone was created in 1948 after studies conducted by Dr. Thomas E. Lyons, an expert on free trade zones of the time. The hope was that companies from many parts of the world would come to settle and trade, taking advantage of Colon's situation at the crossroads of the Western Hemisphere.

Initially, 38 hectares was made over to the Free Zone on the edge of the town and the first structure was completed in 1953. Since then it has attracted more and more companies until today it is one of the major business successes of the Republic. There are now 261 companies operating import-export businesses and representing 345 foreign companies.

Most of the work is importing, warehousing and storage and exporting but there is some light repackaging and processing done. In 1977 the free zone imports totalled \$1.6bn of which \$789m worth came from the U.S., \$237m from Hong Kong and \$117m from Japan. Much of the importing was done by air. High-value goods worth \$658m came in by plane while \$890m worth arrived by sea at the wharves of adjoining Cristobal.

Until very recently there was no room to move for the zone had become so popular with business that there was no space. At the premises of Lucas, the only British manufacturing company to have its own operation in the zone, the manager showed me over his warehouse and said: "Like us, most people here are building mezzanines and extensions."

TRADE IN THE COLON FREE ZONE 1977

Table with columns: Total, By air, By sea, By land. Rows include: Imports, U.S., Japan, Hong Kong, China Taiwan, Costa Rica, Mexico, Almacenes de Deposito, Canal Zone, Local consumption, Others, Re-export, Venezuela, Brazil, Ecuador, Aruba, El Salvador, Honduras, Local consumption, Panama, Almacenes de Deposito, Local consumption, Consumption on board, Others.

Source: Direccion de Estadística y Censo - Contraloría General de la Republica
* Less than 100,000 kg. † Less than 1m balboas.

you wanted. There was simply no way of finding more space for the zone as there was no more land between the city and the sea. A few acres are being filled in at present.

Now the imminent dismantling of the Panama Canal Zone and the relinquishment by the U.S. of a nearby base called Old France Field has allowed the Free Zone to burst out of its corset.

Old France Field is just across Manzanillo Bay from the original site and offers a further 216 hectares for expansion. It is not, it must be said, prime land. It does not afford a good foundation for building and those companies which have moved there feel it wise to put down a metre of infill to insure against any flooding of the low-lying ground. However, the

move has started and one firm Colon Import and Export which acts for a number of British companies including ICI and Entrouchs Wellcome, has erected its own building rather than take one of the converted aircraft hangers that the Free Zone Authority has spruced up for companies seeking space.

With more land available the zone authorities are beginning to canvas again for new business. The Manager, Sr. Jose Montenegro summarises the advantages that his zone offers in 20 headings which go from the complete absence of any kind of taxes on the import and re-export of goods to countries outside Panama, to the absence of taxes on the export of capital and the remission of dividends, and good transport links with

the rest of the world. The top rate of company tax is on taxable income of over \$100,000 and stands at \$5.175 on the first \$100,000 and 8.5 per cent on any amount in excess of that figure.

Monthly rental for lots in the main area is 30 cents per square metre and half that for lots in France Field. The rate for buildings in the main area is \$1.50 while the rate for France Field buildings is negotiable.

Wage rates for skilled men go from \$200 a month to \$300 with social security charges adding another 30 per cent to that. English is more widely spoken in Colon than in any other part of the Republic.

Users report that the cable, telegraph and telephone services in the Free Zone are good but

that the postal service to the rest of Latin America could be a great deal better. There is a banking service provided within the Free Zone and among those institutions established there is the Lloyds Bank subsidiary, the Bank of London and South America.

ships passing before their windows will, however, be something of a middle-class ghetto on the edge of some run-down cheap housing, though the Free Zone management is undertaking to improve that too.

The complex is situated on a point overlooking the entrance to the Canal and the residents will have a fascinating and constantly changing panorama of ships passing before their windows. It will, however, be something of a middle-class ghetto on the edge of some run-down cheap housing, though the Free Zone management is undertaking to improve that too.

AS THE date of October 1 approaches rumours are going round that when the Panamanians take control of the Canal Zone, the Canal's operation will be in danger. The comments are similar to those heard in Cairo at the time of Egypt's nationalisation of the Suez Canal. But there is as little substance to the rumours of cataclysm in the Panama Canal as there was in the threats of disaster in the Suez Canal.

It is true that the operation of Panama's waterway, a canal with locks, is more technically demanding than the running of the Suez Canal, a sea-level waterway.

In addition the maintenance of the watersheds, the dredging, buoying, pilotage and upkeep of the lock mechanisms are all tasks which are more demanding in Panama than they are in Egypt.

But for long after the United States controlled Panama Canal Zone has been abolished, in fact until the end of this century, control of the Canal will remain in U.S. hands — unless, that is, there is a major modification of the Carter-Torrijos treaties.

At the same time the U.S. is to co-operate with Panama in the defence of the waterway until the end of the century and possibly beyond. That is to say that the U.S. forces (current strength 2,069,000) will be working jointly with the Panamanian National Guard (10,000-strong) in securing the Canal.

The first paragraph of the second article of the Panama Canal Treaty states: "The Republic of Panama, as territorial sovereign, grants to the United States of America the rights to manage, operate and maintain the Panama Canal, its complementary works, installations and equipment and to provide for the orderly transit of vessels through the Panama Canal." This arrangement is to continue until noon Panama time, December 31, 1999.

Canal operation in no danger

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An international banking centre

PANAMA'S GROWTH as an international banking centre continues to be spectacular. There are now 88 banks in this country of 1.8m people. Ten were opened last year and saturation point is still a long way off.

Panama's ideal geographic location at the cross roads of the Americas, its stability in a continent notorious for political violence, the tremendous potential of the Colon Free Zone, with a turnover of \$1bn a year, and above all else the country's very liberal banking laws make Panama a haven for bankers.

Of the 88 banks now operating, 52 deal in both domestic and offshore business, 25 in offshore exclusively, and 11 have representative offices.

Total bank assets have grown from \$353.6m in 1970, when the Government promised its banking law, to just over \$5bn at the end of 1978. Assets increased by 34 per cent alone last year. Deposits have risen from \$402.7m in 1970 to \$15.1bn at the end of December, of which only \$1.5bn were domestic deposits.

The banking sector employs about 7,000 people, most of whom are Panamanians. It accounts for 6 per cent of the Gross Domestic Product and allows the Government, which is saddled with a \$2.4bn debt, easy access to credit.

Economy

The Panamanian economy has been sluggish for the past four years, but this has not affected the foreign banking community, which continues to make very healthy profits out of Panama. The community's presence does not contribute a great deal to the domestic economy, because most business is in foreign deposits and loans, which does not enter into Panama's economy. Last year \$8.4bn were in external credits and \$1.5bn in local ones.

Now that the canal treaties

have been successfully concluded, it is likely that the skyline of humid Panama City will become even more crowded with high-rise buildings containing banks and related services.

"There was a danger that a treaty would not be signed which would have given rise to many uncertainties," said Sr. Luis Moreno, general manager and vice-president of Chase Manhattan Bank in Panama. "Now that there is a treaty we bankers are looking at the future with optimism."

The only dark cloud on the horizon, said Sr. Moreno, was the likelihood that New York could steal back some of Panama's offshore business.

However, he did not feel that in the eventuality of this happening many banks would transfer their bookings to the U.S. Services in Panama City are obviously not as good as in New York, but they are not that far behind. The state-owned Intel telephone company installed a direct-dial service last year between some banks and their headquarters in the U.S.

The key law of 1970, which sent bankers flocking to Panama City, allows the following advantages:

- Income tax exemption for offshore business;
 - No taxes levied on interest from domestic or offshore accounts;
 - No limits on interest rates;
 - Accounts in any currency are allowed as well as numbered accounts;
 - Foreigners can be employed as long as their number does not exceed 15 per cent of the workforce.
- Life is made even easier for bankers, particularly U.S. ones, because the U.S. dollar is the unit of exchange. Officially the balboa is the unit for book-keeping purposes, but only small change under one balboa (which equals one dollar) is in local currency. All currency notes are dollar bills.

Three types of licences are issued in Panama. "Type A" requires \$1m in paid-up capital and allows a bank to operate both domestically and offshore. "Type B" requires \$250,000 capital and is valid only for offshore business, and a third classification allows foreign banks to maintain a representative office.

In 1970 when the law was promulgated, there were 247 banks in Panama operating in a financial "jungle." The law got rid of more than 200 "pirate" banks and since then the number of applications by major banks to go to Panama has been increasing steadily.

Applications are made to the National Banking Commission because Panama does not have a Central Bank. The Banco Nacional de Panama (BNP), an autonomous government agency, operates as a commercial bank and carries out some central bank functions, such as acting as the government's fiscal agent. It also arranges short-term loans for the government.

Prospect

The commission is chaired by the Minister of Planning and Economic Policy. "We are looking for the best banks from every country," said a commission official. Many of the major world banks are represented in Panama. The U.S. has 15, Europe 24, Japan 4, Latin America 18, Panama 7 and the Middle East one.

The top three in terms of deposits at the end of 1977 were the First National Bank of Chicago, the Banco de la Nacion Argentina and the Banco do Brasil.

Over the years a very cosy relationship between the foreign banks and the government has grown up, which would appear to be even cosier now that the canal treaty is concluded.

Just after it was signed last summer, the government agreed the terms of a loan, lead-man-

aged by the Bank of America, for \$300m at 1½ per cent over LIBOR for the first five years and 1½ for the second five years. The latest loan being put together is for \$110m at ½ over LIBOR for the full ten years. Bankers cite this as an example of the government's excellent and improved standing with foreign banks.

This is true, but it should also be borne in mind that banks have plenty of money to lend.

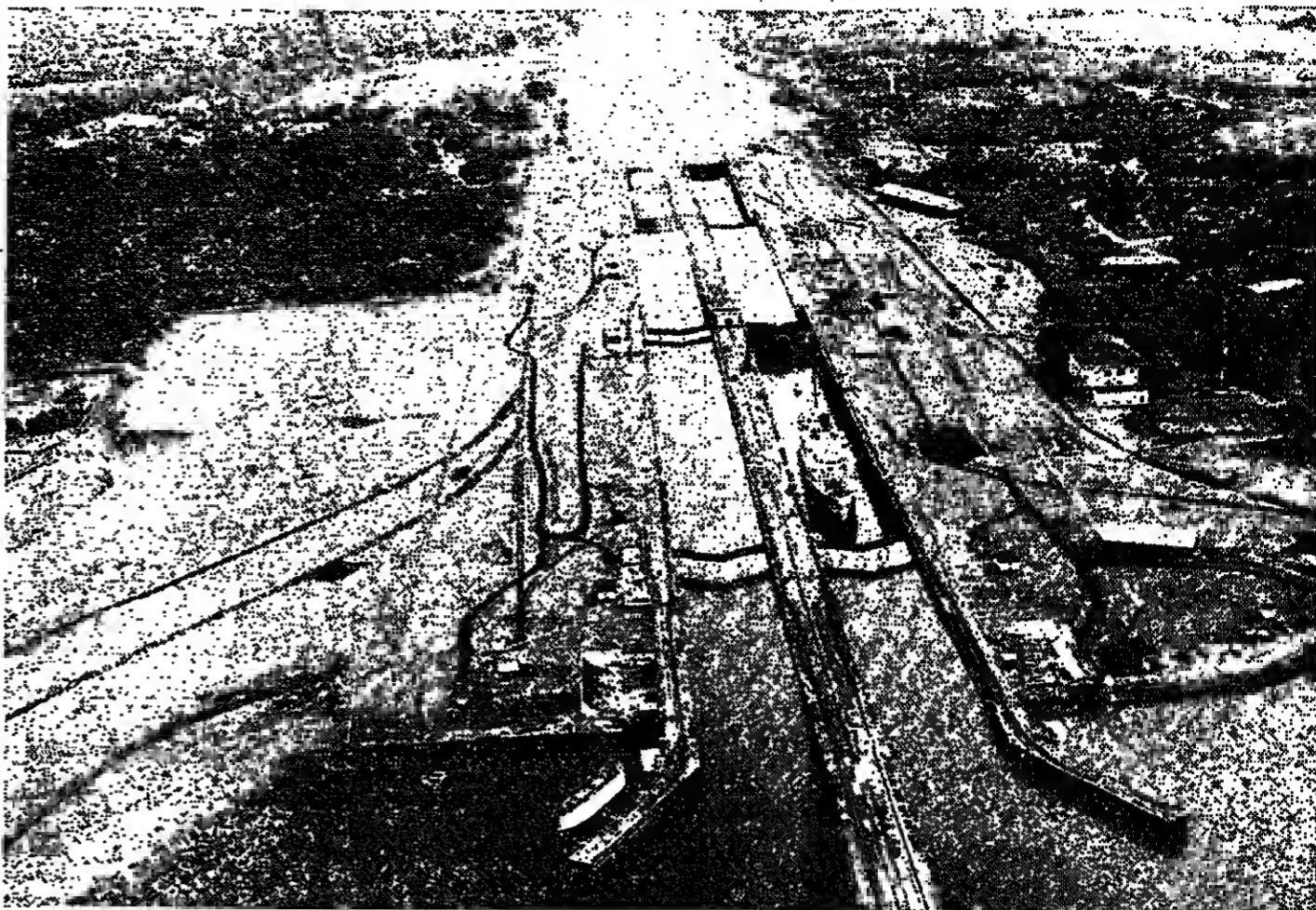
Nor is it in the government's interest to place restrictions on the banks, which could always go elsewhere if measures were taken to curb their almost unrestricted freedom. The banks have the upper hand and the government knows this. And as long as the country's huge debt remains, the more the government will feel indebted to the banking community for soft loans.

Not even in the days of the fiery populist rhetoric when Gen. Torrijos was heading the government, was the banking community nervous.

Left-wing opposition parties are inevitably campaigning for the government to pressure the banks into lending to high-risk depressed sectors such as agriculture, but the government is planning no changes. The foreign banks make most of their loans to commerce and the construction industry which offer high profit margins.

The government does not criticise the banks and the banks, for their part, continue to expand knowing that their position is safe. Now the government is trying to woo back local investors in the private sector, whose own investment has greatly fallen off. Those conditions all allow foreign bankers to rest assured that Panama will remain an exceedingly attractive place for some time yet.

W.C.



After the abolition of the U.S.-controlled Canal Zone this year the U.S. will continue to have the major say in the administration and defence of the waterway up to the year 2000

Social action agency

WHILE THE millions of dollars are being lent from Via Espana, Panama City's principal banking thoroughfare, a small but penetrating searchlight is being pointed at the activities of the banking sector from a quiet backstreet in the suburbs. The Panamanian Centre for Studies and Social Action (CEASPA), was founded in 1977 with the object of producing reports on the social circumstances of Panama which would be of direct relevance to the fight against underdevelopment in the country.

Although the organisation has only recently been established it is carving itself out a respectable reputation. The director is Xabier Gorostiaga, a Panamanian Jesuit, who, besides doing his doctoral studies at Cambridge, has served as an adviser to the Panamanian Foreign Ministry on Canal questions, taught

economics at the University of Panama and held a fellowship at Selly Oak College, Birmingham.

Among the staff are Charlotte Elton, a British economist with experience in the UN Development Programme, who is now working on problems of employment and the embryonic copper industry in Panama, and Annette Honeywell, a British expert who is compiling a report on infant nutrition.

Library

CEASPA has collected a library of nearly 20,000 books and pamphlets on economic subjects and subscribes to publications in Latin America, the U.S. and Europe.

In a study of international financial centres in underdeveloped countries published recently in Mexico, Gorostiaga argues that offshore banking in

poorer countries is not, as some radicals in Latin America would have it, a sort of "plot" organised on a global scale to the benefit of the developed world.

He sees the banks rather as part of a process in which the trans-national companies have been increasingly organising the world's resources of capital, raw materials, technology, labour and marketing into one market in which they have the advantage. He says that the poorer countries have little information, say or power in the shaping of a world economy and, worse, are unable to build up their own constructive view of the world.

In a country which in the past has had little money to spend on higher education or the establishment of its own think tank, the arrival of CEASPA is welcomed even if

its views often clash with those of the business community. In some other countries of Central America the centre's critical spirit would have earned its promoters official disapproval and their lives could well have been in danger. Though CEASPA's views may often go against the grain on government thinking the centre's continued existence and growing prestige is a good indication that Panama is a more tolerant country than some of its neighbours where intellectual dissidence is often met with outright violence.

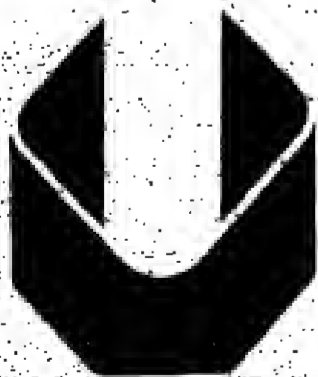
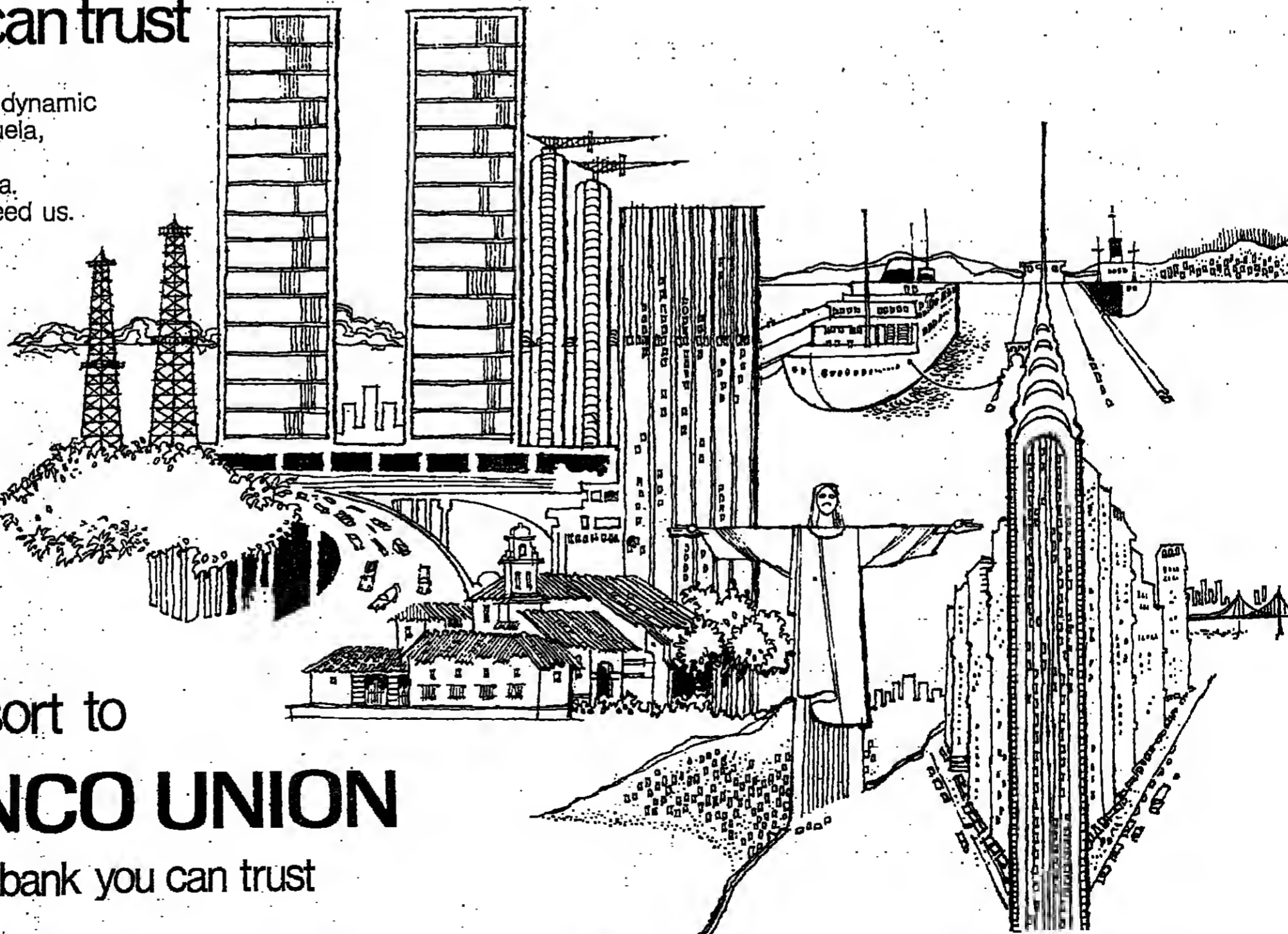
It is not many months, for instance, since every member of the Jesuit order in El Salvador was threatened with death by a right-wing political gang if he did not quit the country.

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PANAMA VI

Promising potential in tourism

"PANAMA IS more than a canal," says the slogan of the Panamanian Tourism Institute (IPAT). Indeed the country has a lot more to offer than what is labelled "the eighth wonder of the world." And now that the canal treaties have been successfully concluded, the local private sector and foreign investors are looking increasingly towards exploiting the untapped tourism potential.

The Canal is still a great tourist attraction, but there are many more places to see. There are miles of sandy beaches on the Pacific coast, with not a hotel in sight, and numerous islands waiting to be developed. The indigenous settlements with the Cuna and Guaymí Indians are a forgotten world, and Old Panama, which was sacked by the British pirate Henry Morgan in 1671, is charming.

Panama's reputation, apart from the canal, has been based on its attraction as a tax haven, with hundreds of duty-free stores supplying imported Japanese, European and U.S. cameras, watches, televisions and stereo equipment. This is still, and probably will always be, Panama's chief attraction, but more people are starting to come for less materialistic reasons and to explore the tropical delights outside the Americanised city.

The Panamanian economy is based on services, which provide about 60 per cent of the GDP. Of this tourism accounts for just over 6 per cent. As if to stress its importance to the economy IPAT runs a "tourist awareness" campaign for Panamanians to teach them, as one IPAT official explained, "to exploit tourism, but not the

well-off tourist and leaving tourist development to the private sector. It will continue to offer handsome tax concessions to companies which build new hotels. Critics of this policy argue that by doing this the Government is letting slip a golden opportunity to increase its revenue substantially. The Government, on the other hand, which is heavily in debt, does not have at its disposal the vast sums of money which are needed to develop tourism.

The one exception to this is the island of Contadora, 17 minutes by air from Panama City. The Government has built the hotel there and plans to develop the island.

The Government is also building Atapa (Atlantic/Pacific) which is a convention centre. It is sited on the narrowest part of the isthmus, and in part of the complex will be a new hotel managed by Marriott. The centre, which will be opened later this year, fills a gap in Panama City's services, for the country is being increasingly used for business conferences.

Tahoga, 18 miles from Panama City on the Pacific side, is being developed as a rival to Contadora. There will also be a scramble to develop the land and islands in the Canal Zone when they are handed over. Islands such as Perico and Flamenco on the Pacific side are prime real estate. The Government has not yet said what its policy will be over this land.

Tourism has a bright future in Panama. It will not solve the country's serious economic problems, and may even exacerbate the structural ones, but it is a promising area for development.

The primitive world of the offshore islands

AS THE launch pulled into the old rickety jetty on the tiny Caribbean island of Wichub-Wala off the coast of Panama, young Indian boys swimming in the crystal-clear water began to chant: "Money, money, money." Tourists from the mainland had arrived to see and endlessly photograph one of the few remaining pieces of indigenous Panama.

The 300 islands of San Blas, of which only three are inhabited, are a world of their own. Apart from the National Guardsmen on the island of Porvenir, there are no other visible links with the mainland.

The Cuna Indians have lived on the islands for centuries and were there long before the Spaniards conquered this part of the world and businessmen discovered Panama as a tax haven. The canal and Panama's status as an "offshore" banking centre are alien to them. The Cunas are offshore in the fullest sense of the word.

a broad grin on their cheeky faces to bow tourists believe Indians should behave. One old woman went around with a Western pipe in the corner of her mouth and she collected more money than any of her friends.

She learned the trick from a tourist who once placed a pipe in her mouth and got her to smoke it. She was left the pipe

and quickly exploited its commercial potential. The same woman has a monkey and insisted that he too should get 25 cents for his picture.

"If the dollar drops any more we could do this back home," said one U.S. tourist, who went through several dollars-worth of photographs, and ended up unsuccessfully trying to take pictures when the Indians weren't looking.



The winsome Cuna Indian women pose readily for tourists' cameras: at 25 cents a shot

Shout

Nevertheless, the islands have been visited by so many tourists that the Indians have learned quickly how to make the best use of its traffic—as anyone visiting the island soon discovers for himself.

Every photograph of a person—not a building unless it contains people—costs 25 cents and the Cunas have got the exercise down to a fine art. As soon as anyone raises a camera to their eye and is on the point of pressing the button the Indians shout: "Money." It is one of the few words of English—dollar is another—which they have learnt. The Cunas speak their own language which is incomprehensible to most Spanish-speaking people.

The women still dress in their traditional clothes of mainly red and orange skirts and wear head scarves to protect them from the fierce sun. They wear a golden ring in their nose and bands around their ankles. The women are strikingly beautiful with high cheekbones and modish, short hair; a talking point for women tourists, who until then believed that such hairstyles were created in Paris.

The men, who go by boat to the mainland every day or fish off the islands, wear Western clothes—T-shirts, baseball hats, and old army surplus trousers.

While their men are away the women do a brisk business in photographs. They play up with

Scenic railway

THE PANAMA Railway it was what it was in the 1830s when it provided a main link in the main route between New York and San Francisco.

At that time, before the West was won and before there was a safe overland route across the great plains and the Rockies within U.S. territory, the U.S.-built railway did business ferrying eager miners and speculators to Eldorado and the goldfields of California.

Today, things are much calmer and the railway is, if anything, under-used. Nevertheless, the 80-mile, 11-hour trip

provides the discerning traveller with one of the world's most spectacular rides. It should not be missed by any visitor spending more than a day in Panama.

The other day I arrived at the Atlantic terminal of the Railroad at Colon station and sought immediate protection from the hot noontday sun in one of the two air-conditioned carriages where fans were working. At \$175, the fare was a bargain.

Just before 12 noon we moved off behind the diesel locomotive, out of shabby Colon, passed the marshalling yards and into the tangle of mangrove swamp and jungle which covers the surface of much of Panama.

The first station, Mount Hope, marks the site of the cemetery in which were buried some of the tens of thousands of Canal workers who perished through malaria and exhaustion.

At a level crossing near Mount Hope, a U.S. Army truck carrying troops in combat dress—a rare enough sight in other parts of the Panama Canal Zone—was a reminder that we were passing near Fort Gulick, a jungle training base where America has helped to train not only its own troops but soldiers from most of the Western hemisphere.

Who but the Americans could have bought a gigantic dredger, named "Rialto M. Christensen," able to bite 15 cubic yards of mud at a time, lodged in the middle of tropical jungles of Panama?

For a few miles, the track leaves the side of the Canal which makes its way alone through the treacherous Gaillard Cut which called for the removal of millions of tons of rock and earth and whose banks are always threatening to slip and block the Canal for the untempting time.

Round the corner, and the train reaches Paradise—or at least Paraiso, which is the Spanish equivalent—before drawing alongside the Poro Miquel Inck which, with the Miraflores sets, bring the ships back down to sea level and the Pacific Ocean.

By now the jungle wilderness has receded and Fort Clayton and Albrook Air Force Base on the left-hand side are another reminder of the power that the U.S. has—and intends to keep—in Panama.

Shortly before 1.30, the diesel puts past the mid-American domesticity of Balboa High School, the Shriners headquarters and longshoremen's union. At Panama Station, the motley trainload of canal workers, army personnel and tourists rush for their bicycles or taxis, brushing aside the way of salvation merely offered by a box of Christian Science literature.

Bamboo

A few moments more and there was the first sight of tanker funnels moving slowly above the tall grass and bamboo thickets. Gatun Station is a few hundred yards from the great locks which lift ships up the 85 feet to the Gatun Lake, which forms the main thoroughfare for navigation across the isthmus.

After Gatun, the train again leaves civilisation and unweaves out across marsh and embankment towards Monte Lirio and Frijoles, all the while giving distant views of the ships making their cautious passage, with pilots' guidance along the dredged channel across Gatun Lake.

Frijoles is the staging post for the ferry for Broco Colorado

W.C.

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H.O'S

PANAMA VII

Decision near on copper project

THE GOVERNMENT of Panama is in the final stages of deciding whether it can go ahead with a very ambitious \$1.5bn project to construct one of the world's largest copper mines.

British Kvaoco Metals, which is interested in buying some of the copper, has been approached among many others for a contribution towards some of the equity, or towards possible cost overruns and cashflow deficiencies.

\$350m in amortisation and interest. On the bright side the mine, which has potential reserves of 1.3bn tonnes of ore, would provide 2,176 jobs and would, assuming copper prices hold, contribute \$500m to the Gross Domestic Product, according to a feasibility study prepared by Cerro Colorado.

The study estimates that, with the copper mine, the Panamanian GDP will rise from its present \$2.3bn to \$3.6bn in 1984. Without the mine the GDP would increase to \$3.1bn in 1984.

Loans

The Canadian Export Development Corporation is prepared to end \$1.1bn to Cerro Colorado, the company set up in a joint venture with Texasgulf, a U.S. mining company, to develop the mine. The government's autonomous agency, Codemin, at the moment has 50 per cent of the shares of Cerro Colorado, and Texasgulf the rest.

On the gloomy side the project would mean a sharp increase in Panama's public foreign debt which, at \$2.4bn, is already in per capita terms among the highest in the world. Further loans would only increase this burden on the economy, which last year cost

The mine would contribute much-needed earnings to the huge balance of trade deficit (almost \$600m in 1978). Exports of copper could be worth about \$500m a year and the imports bill would rise by only \$100m if the mine was in operation.

The government is understood to have made it clear that it will not guarantee the loans and so if the mine collapsed the government would not bail-out those involved. How this problem will be solved, with the Canadians worried by the government insisting on spreading the risks, remains to be seen.

The project, sited 160 miles west of Panama City, near the Gulf of Chiriqui, would involve a complete infrastructure with a concentrator, sulphuric and phosphoric acid plants, roads, a port and housing.

One aspect which recently has been given a lot of publicity, is the possible adverse ecological effects of the copper mine and the danger of polluting rivers which serve cattle land.

There is no public information on the criteria for indemnification. When the matter was raised publicly, Sr. Rodrigo Gonzalez, president of Cerro Colorado, brushed these fears aside and said that with the wealth, which the mine would bring to the area, the Indians "instead of dying of worms would die of indigestion."

Bananas the main export

BANANAS are Panama's main export and an important provider of employment. Last year a record 33.4m boxes were shipped abroad, worth about \$50m—almost one-quarter of total exports—by an industry employing over 11,000 people.

Since 1866, when the three Franc brothers began shipping bananas to the U.S. from Central America, Panama has been among the leading banana producing countries.

The idea behind setting up COBAPA and COBANA was ostensibly that the Government was interested to see if it could find markets of its own and whether it was capable of handling exports.

Since 1866, when the three Franc brothers began shipping bananas to the U.S. from Central America, Panama has been among the leading banana producing countries. The banana industry has provided much needed employment for an impoverished, overpopulated area where unemployment is high and vital earnings for an economy which exports little else apart from sugar, shrimps, some beef, cocoa and petroleum products.

Nevertheless, this does not mean that nationalisation could not happen. In 1974 the idea was considered, but in the end the Government decided to increase the tax per box which United Brands has to pay. The multinational also has to sell the plantation land back at a nominal price.

The idea behind setting up COBAPA and COBANA was ostensibly that the Government was interested to see if it could find markets of its own and whether it was capable of handling exports.

Fears

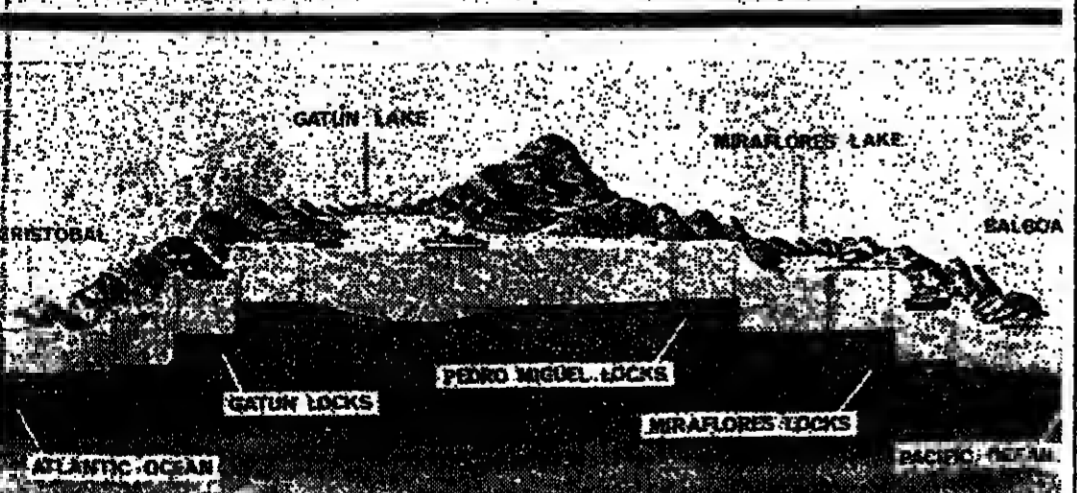
During the last 10 years banana exports have earned Panama an average of about \$60m a year. Production is centred near the border with Costa Rica, at Changuinola on the Atlantic coast and Puerto Armuelles on the Pacific side and is run by United Brands, the U.S. multinational which has been operating in Panama since the end of the last century. The two areas account for about 37,000 acres of plantations.

if the Left were to come to power in Panama—and probably anywhere else in Central America—nationalisation of the banana industry would probably be one of the first steps to be taken. As it is considered unlikely that this would happen, nationalisation is thought to be out of the question.

United Brands handles production and marketing, which is exclusively for export, but may grow some of the bananas and net the land. Other plantations not run by United Brands provide for the domestic market.

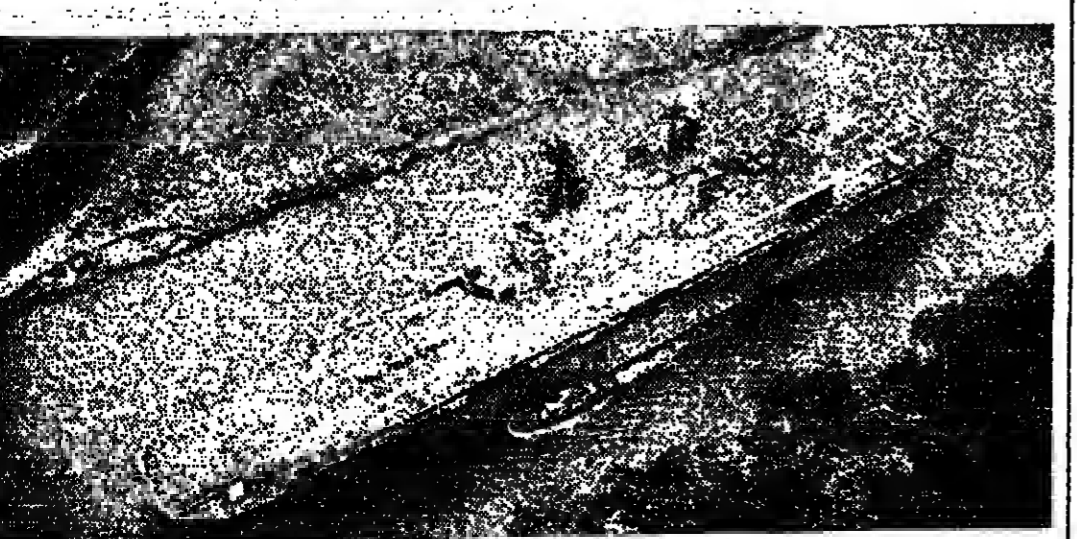
However, few people in the banana business attach much importance to the idea at present, because it would frighten away foreign investors

The Panama Government has set up COBAPA (Pacific Banana Corporation) and COBANA (Atlantic Banana Corporation) to handle some exports of its own. United Brands does not consider these two organisations as direct competition, and relations between the Government and the multinationals remain "very good."



Sailing through the Canal

THE 50-mile journey, which takes about eight hours, carries vessels through a series of locks (above) up to the Gatun Lake, 85 feet above sea level, then down again to the other ocean. Below: the USS Tarawa, the U.S. Navy's amphibious assault ship built to pass through the 110-ft wide locks, negotiates the nine-mile Gaillard Cut. The waterway, over which Panama assumes full authority this October, was opened in 1914.



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PANAMA VIII

Ignite Agriculture backed by government

PANAMANIAN peasants are the backbone of the revolution. According to a much-publicised government slogan since 1968, when Gen. Torrijos came to power in a coup d'état, far greater priority has been given to the impoverished countryside, but the imbalance between the rural and urban sectors of the country's economy is still profound.

According to the Ministry of Agricultural Development, the countryside employed 35 per cent of the country's 620,000-strong work force in 1977 and it contributed 16 per cent of the \$2.2bn Gross Domestic Product. Three quarters of the total value of Panama's exports are agricultural—mainly bananas and coconuts—but the per capita GDP in the rural sector is five times less than in the urban sector. One third of the 1.8m population earn less than \$200 a year and most of them are rural workers. As a result migration from the countryside to Panama City has been increasing.

Between 1960 and 1975 food imports increased by 215 per cent while national food production rose only 79 per cent. However, the government's efforts to increase production are at last beginning to pay off.

Last year was the second good year in a row for agriculture. The record rice harvest produced a small exportable surplus and an increased output of beans and corn almost covered domestic requirements. Sugar exports were a record 12,000 tonnes, compared to 11,000 tonnes in 1977, and it was also a record year for bananas with 85.4m boxes exported, 10 per cent more than in 1977.

All this had been uncut since several years ago, said the young and enthusiastic official from the Agriculture Ministry. He drove up the Pan American highway towards Escalante in western Panama. We passed state sugar plantations and rice fields and new electricity pylons.

economic sense for the government's programmes. In the countryside have won them more support among the peasantry. The ministry, created in 1973, brought together the old Ministry of Agriculture and Cattle Farming, the Agrarian Reform Commission and the Institute for Economic Promotion. The idea behind the new ministry is to co-ordinate greater agricultural production

and more social development. Plastic cups in the ministry's canteens carry the slogan: "Production is Revolution." Traditionally one of the pressing problems in Panama, as in many other Latin American countries, has been the desperate situation of "precaristas"—poor peasant families who illegally occupy and farm land, which is often part of a latifundia (large private estate).

The government is solving this problem by creating "asentamientos campesinos"—peasant settlements—on the land which they occupy illegally. At the request of the peasants, the land is expropriated by the government.

Solved Between 1968—when the government's agrarian reform programme began—and 1977, 730 estates totalling 490,784 hectares were expropriated for the benefit of 18,200 families, about 90,000 people. Most of the expropriated land belonged to multi-national companies such as United Brands and the Cocomt-Roston Company. United Brands continues to own the

bananas but not the land. In an interview Sr. Ariel Barnett, vice-minister for agriculture, said the precarista problem was now solved and that the fundamental problem of production remained.

More than 7,000 families, which have benefited from the agrarian reform, are organised into co-operatives and the rest work plots of land on an individual basis; in state-run companies like that for the production of citrus fruits, or sugar mills, or for multi-nationals such as United Brands. The government prefers families who occupy land illegally to form co-operatives, once their status as an asentamiento has been established, rather than to work the land

individually. Co-operatives make for a more efficient economic unit. Once families join forces the government can supply them with water and electricity and provide other services such as roads and schools.

Production has increased greatly as a result of the formation of co-operatives but it is still hampered by the existence of minifundia, which are often isolated and use antiquated means of cultivation. However this problem is also diminishing, for the number of farms with fewer than 20 hectares is decreasing, although they still represent a majority. Government expenditure on agriculture has greatly increased because of the importance now given to the country-

side. But it has also had to increase because of the dramatic fall in private investment in the past four years. Since 1975 the local private sector has been frightened off by the Government's policies.

Roads This fall in private investment, which was never very great in the countryside anyway, has meant that to keep pace with production targets the Government has had to devote more of its budget to agriculture. This year 15 per cent of total public sector investment of \$395m is for agriculture; 35 per cent of the investment is for the construction of new roads and providing electricity in new

rural areas. This will also help the rural sector. Foreign investors have also greatly neglected the Panamanian countryside, because of the low profit margins. Last year only 2.7 per cent of the \$1.8bn worth of loans provided by banks in Panama, mainly foreign ones, went to agriculture. The Government is beginning to feel that it is about time the foreign banks were prepared to take a few more risks in a country where, thanks to the liberal banking laws, they are making handsome profits.

Until they do Panama is unlikely to narrow very much the huge gap between city and village. W.C.



A reminder of Washington's presence in Panama. A U.S. officer and his wife take tea in their Canal Zone home in the early 1900s

Ranching: a tough job with varied problems

PANAMANIANs like their beef steaks and consume per head twice as much as people in neighbouring Costa Rica. They can afford to for Panama is self-sufficient in beef, which is mainly provided by large private ranches in the provinces of Chiriqui and Veraguas and by small holdings around the country.

One of the largest ranches in Panama is owned by the Motta family. The 8,000 hectare ranch in Chiriqui in western Panama was bought by five brothers in 1946 from an Englishman. Since then the size of the herd of Brama and Indo-Brazil bulls and cows has grown to almost 12,000. About 2,000 cattle a year are sold for slaughter from this ranch.

To spend a day at the Motta ranch is to get a sharp impression of the ranching business. The Mottas themselves run a liquor import-export business in Panama City and the Colon Free Zone and normally travel to the ranch only at weekends

in their private plane. A farm manager looks after the day-to-day running of the ranch and it is a tough job.

The cattle, strange-looking beasts with large ears and a hump in the middle of the back, appear to the ignorant outsider to be just roaming across the land and chewing the grass. In fact the business of ranching is far more complicated than this. Every month there is something special to be done on the ranch. This month the dry season ends and the heavy rains begin so the grass will have to be trimmed.

Sleepy During the dry season the cattle are fed straw and molasses. But between now and December 140 in. of rain will fall and what is now fairly parched, dry land will sprout lush grass on which the cattle will grow fat.

The grass is vital for the cattle, but with it grows "bad" grass. Just over 100 workers are permanently employed on the Motta ranch, but when the rain begins another 200 people will find temporary work on the farm.

They are needed to trim the grass with their machetes to a specified protein height and to root out the "bad" grass. For the peasants of Remedios, a small sleepy village a mile away from the ranch, the rain means a chance to earn some money from "la familia."

When the five brothers bought the ranch the English owner travelled around his land on horseback and it would take him a whole day to visit every part. Now there are John Deere tractors levelling parts of the land and some fields are irrigated for rice production.

After April many of the new labourers will make for the more isolated parts of the land, which goes down to the Pacific and is inaccessible to the tractors. There they will slash away at the grass.

The calves are born in the dry season after December and the first few weeks of their lives are a headache for the ranch manager. He has to try to keep buzzards and other preying birds away from them.

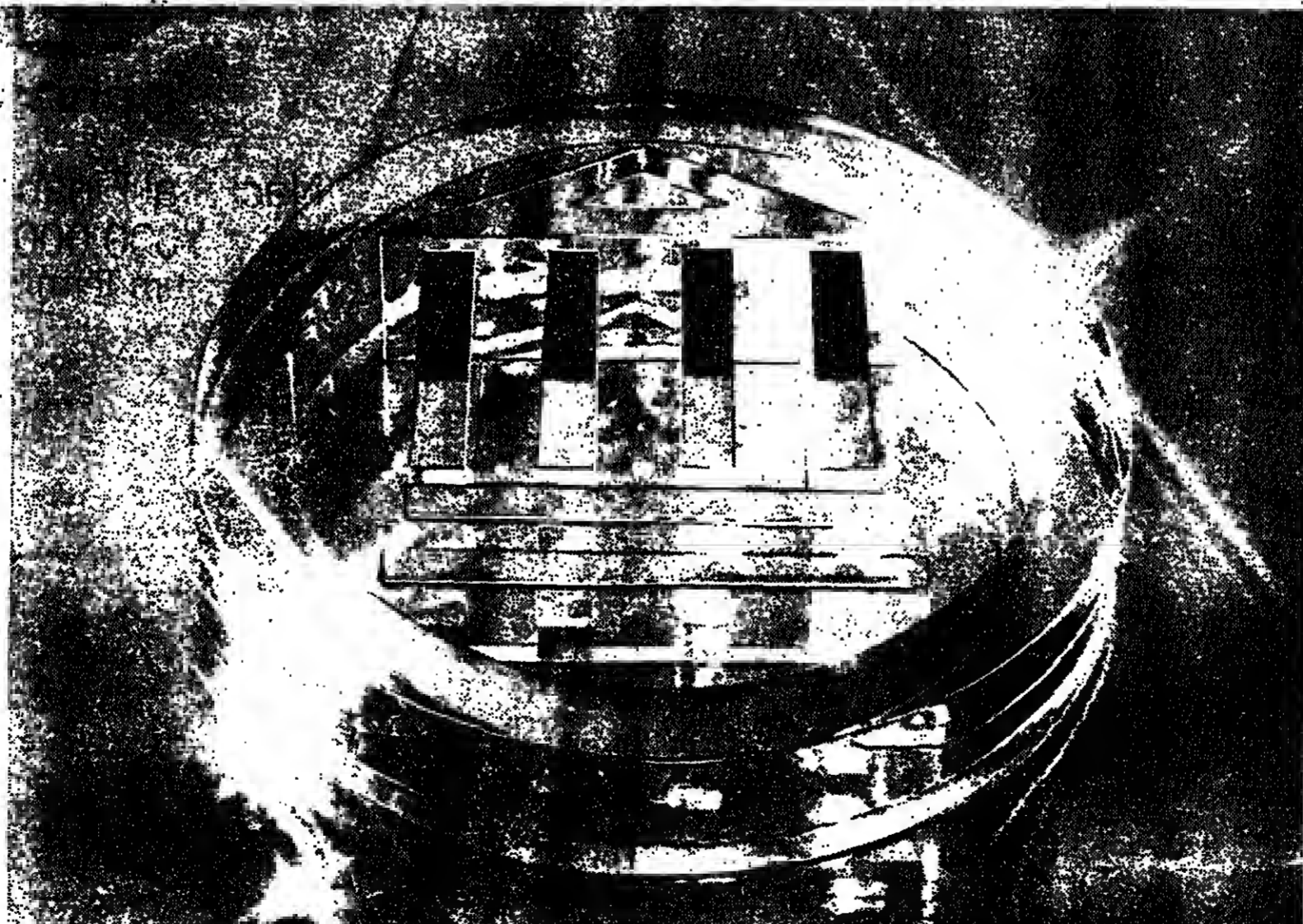
Buzzards I understood the difficulty of doing this when I travelled around the land in a Jeep. Suddenly we came to a field where about 50 cows were resting from the afternoon sun in the shade of some trees. The manager trod on the accelerator and we sped across the land pointing the vehicle at dozens of buzzards by the side of the cows.

Several buzzards hovering over bloody new-born calves were ready to peck at them. "They can kill them at this age," said the manager. The buzzards took off in a great flight but when we had driven on some of them returned.

A decision has not been taken yet on whether the project will go ahead but ranchers are already issuing dire forecasts about the results for them if it does.

Their fears are exaggerated, says the copper company. Nevertheless, extreme caution will have to be taken to make sure that there is no danger to the rivers. Panama is self-sufficient in many products and were cattle to be harmed from polluted waters beef might have to be imported. W.C.

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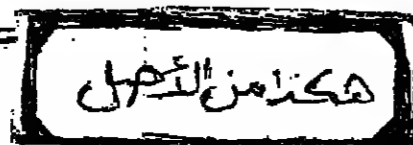
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THE ARTS

Cologne Opera

Omphale

by RONALD CRICHTON

One of the many aspects of the mass of legends surrounding the hero Hercules or Heracles is the incident of his enslavement to the Lydian Queen Omphale, his mistress in both senses of the word. Artists in classical Greece and since the Renaissance were tempted by the couple's exchange of club and distaff and even of clothes. Saint-Saëns wrote a symphonic poem on the subject of Omphale's spinning-wheel. Among composers who have treated the story operationally are Carvall, Telemann, Simon Mayr and now the East German Siegfried Mathias (born 1934), an Elstic pupil who worked with Eisenstein at the Komsche Oper in Berlin.

His Omphale, to a libretto by Peter Hacks, was first given at Weimar a few years ago, then revised for the present Cologne production, a "Deutsches-Deutsch" (East-West) occasion of some importance. The libretto is unusually good—tightly constructed, pitifully and amusingly phrased. Queen Omphale, whose lands are ravaged by a rampaging lion and by a man-eating monster, called Lityerse, lives quietly in her Lydian palace, consoling herself with a slave who has taken her fancy. The slave fathers a child by Omphale's servant Maltia; the child is born and grows to manhood during the very night of his conception. The event leads to the discovery of the slave's identity. Heracles kills the lion. He and Omphale fall still more deeply in love. They see their exchange of sexual roles as an extension or completion of their love.

Omphale now wears the lion-skin and wields the club. Heracles puts on her saffron robe and wields the distaff, though he can still snap off a tall marble column and place it across the palace entrance to bar the way to intruders. The monster Lityerse remains. However, finally the hero is stoned into action. Off he goes, still in drag, to the desolate vineyard which is the cannibal's lair, where Lityerse is slaver. In his over-shouldered nymphet Pimples, beloved of the shepherd Daphnis, Omphale follows, skin-tight, black leather, under the lion-skin. After a bloody fight of which Heracles bears the

brunt, the monster is slain. Omphale precipitately gives birth to three more man-sized heroes of Hercules and resumes her woman's role. Heracles, once more a man, plants his club in the soil of the vineyard. It sprouts olive-leaves signifying peace.

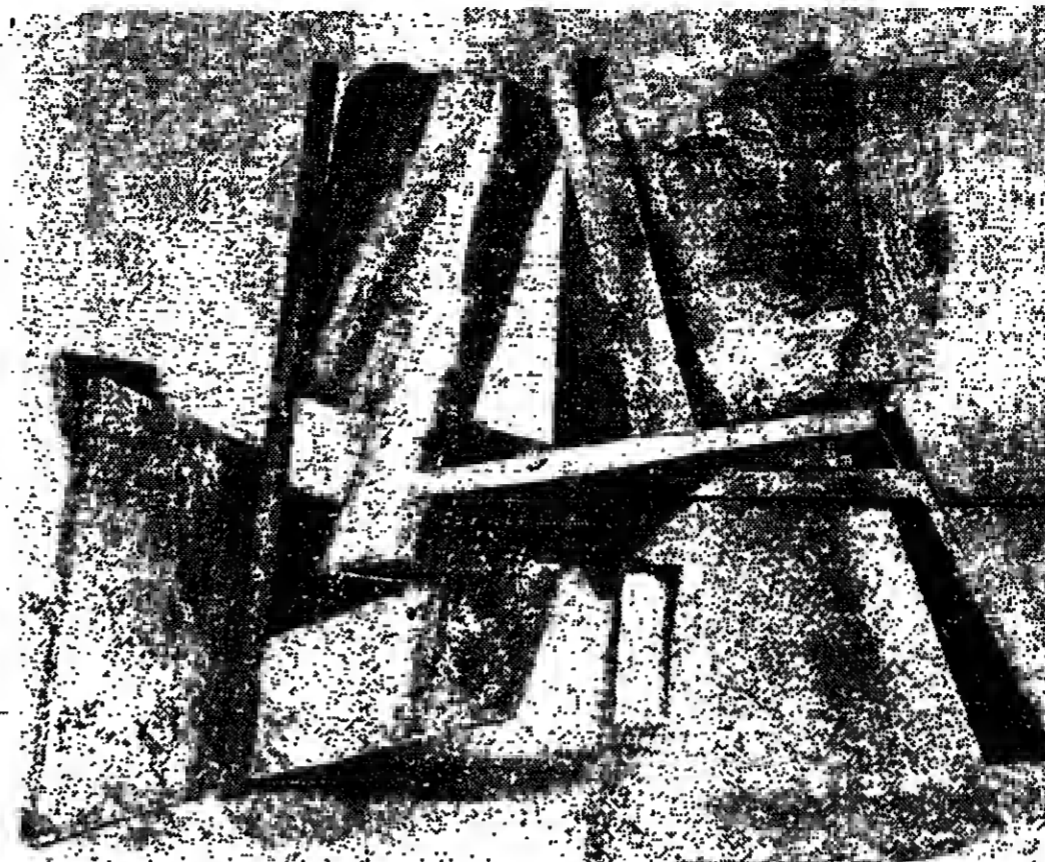
The music at a first hearing seems content to miss the ironic, pointed tone of the libretto. The opera is carefully composed in freely atonal style for a modern symphony orchestra—good, serious, middle-of-the-road stuff that doesn't quite stimulate the desire for extra study that might bring greater rewards. The love music for Daphnis and Pimples, in the first-act Intermezzo and again later, shows a lyrical vein not always evident in the scenes for Omphale and Heracles. The scoring is often thick and the Cologne Orchestra of Cologne more remarkable for solidity (than finesse). There was a feeling of sluggishness conceivably due to a fault noted in several modern opera scores of this kind—stretches of timorous arioso too impersonal for drama or lyricism. The opportunities offered by the text for "musical" patterning of the vocal line are infrequently taken.

The Cologne staging is very competent. Michael Rampe produced in designs by Jan Schluhach, with ingenious and becoming costumes by Reinhard Heintzsch. Besides looking equally fetching in saffron robe or hero's leather, Edda Moser sings the demagogic rigole with serene assurance. Heracles is Victor Brunn, whose warm baritone timbre is a memory that Covent Garden might allow us to refresh. The ripe-voiced Maltia Schreyer sings Maltia. Georgina Resick and David Kuebler make much of their scenes as Daphnis and his nymph, Wilfried Baderek and Matthias Hölle sing the half-brother and eldest son of Heracles. Ulrich Hiescher still, by drag, to the desolate vineyard which is the cannibal's lair, where Lityerse is slaver. In his over-shouldered nymphet Pimples, beloved of the shepherd Daphnis, Omphale follows, skin-tight, black leather, under the lion-skin. After a bloody fight of which Heracles bears the

Rowan/Round House

Philip King and Michael Kenny

by WILLIAM PACKER



'Within' by Philip King

Contemporary British sculpture does us all great credit, though one would hardly guess as much from the support we give it. Works are bought, of course, by the various institutions whose job it is to support the art, but constraints of size and portability must often weigh, quite literally, most heavily against the acquisition of the more ambitious items; and, for the rest, the few public authorities who make it their business to intervene imaginatively and judiciously, Harlow and Milton Keynes for example, are conspicuous in their isolation. In London the few modern works in public places are as likely to be there by the artists' generosity as by any actual patronage. There is no legal provision in the cost of development of a site for commissioning of works of art, which is a simple device, and commonplace abroad. Architects and town planners appear to distrust artists, for they are markedly reluctant to invite their early co-operation, and never do so as a matter of course, even going so far as to feel they can do better themselves on the cheap, and at the last moment. Too often what work does appear is desperately cosmetic, commissioned in haste, or bought from stock. As it were, when a wind-swept patio or blank curtain wall turns out to be rather less engaging than was envisaged in the architect's own water-coloured proposals.

At the end of it all the artist is expected to mix the new simply for being noticed, while bearing, all the costs of time and material himself, any profit quite withered away. It is, in short, extraordinary that any one here, where we cannot wait to get the magnificent Henry Moores out of Kensington Gardens, and the brave public sculpture scheme in Regent's Park excites angry letters to the newspapers, still, should persist in the existing and unward-looking practice of sculpture. And yet artists of the very highest quality do remain here, even with Mr. Moore now very much hors concours; and two current shows make the point.

Philip King, who studied under Anthony Caro, and was closely associated with St. Martin's in its great days in the early Sixties, is showing now at the Rowan (until April 26), his most recent work, one or two small pieces but pre-eminently a huge pile of 121 works, half with high and dark, that he calls "Within". King has always liked to work on such a scale, returning to it often, and the open structure, and the inviting space too, that is first screened and then opened out, have been regular preoccupations. But considerable changes have been taking place lately. The former general lightness and industrial anonymity of surface and material much modified. The scale taken down, the base broadened but

the space closed in, the material massive and natural, heaped into loose, apparently, imprecise pyramids until, at last, we read the cunningly casual metal armatures that hold the slabs and beams in place. The work has taken on a much more secretive and mysterious character, recalling his own early work admittedly, with its mythical associations, but also an ancient world of tombs and barrows and other dark, old places.

This new work then, is a great surprise, for though King continues to mix the new familiar ingredients together with unfailing sensitivity, invention and technical command, slate, wood and metal, a certain weight seems to have lifted from him. The physical lightness of the piece, in the mind at least, is remarkable, a huge mass poised in mid-air with little apparent effort. As we walk around it draws us in, it heaves closer inspection, and as we thus move in its massive, fortress nature, strong and simple and beautifully composed, changes to something rather less unbending, as the eye runs across and into these perfectly judged and regulated surfaces, bolts and ramps, nooks and crannies. It is a true tear-de force; the best new work to be seen in London for some considerable time.

And at the Round House in Chalk Farm (until April 28), King's fellow Associate of the Royal Academy—the cobwebs were swept away long ago, and

Kenny persists in it, and in the end wins his private battle. The work has an integrity and consistency that commands respect, and a real physical beauty too, given time and sympathetic consideration. Which is not to suggest it deserves any special treatment or allowance, but simply to say that all serious work in the arts, as in other fields, should be taken first on its terms it sets itself, which can demand of the viewer much time and careful attention. Kenny's thoughtful and delicately exact work will tease any imagination that cares to tune itself to its quiet rhythms and sweetenings.

Floably a word about the Round House Gallery itself, which in its short life, under the direction of Jim Latta, has become one of the most coveted spaces in London, an unusual shape, admittedly, but able to accommodate the largest works. But the Round House is funded as an Arts Centre, with the emphasis very much on the performing arts, and no obligation to support a gallery at all. We must pray that the success and now importance of this excellent, modest venture, with all that implies, does not go unreminded by those with power of deprivation over it.

Tower, Canonbury

Divorce Me, Darling!

by MICHAEL COVENEY

Sandy Wilson's 1930s sequel to *The Boy Friend* had a moderate success when first produced in 1964. At a time when nostalgia and inaccurate pastiche is rife in the London theatre, the enterprising Tower Theatre has mounted a splendid revival that demonstrates Mr. Wilson's unrivalled gifts as an affectionate parodist. I have long considered this score to be superior even to that of *The Boy Friend*, and the onstage reality, with modifications and revisions by Mr. Wilson himself, confirms me in that opinion.

Polly, Maisie, Dulcie and Nancy, now married, are holidaying at the Hotel du Paradis in Nice. Their respective spouses are also, quite separately, on hand, and this leads to the fluffy marital confusion that could end in divorce all round, although, of course, the likelihood is minimal as adultery in Mr. Wilson's world is more a matter of fantasy than of fact. Polly's parents-in-law, the Brockhursts, invade the Promenade at the head of a troupe of Health and Beauty girls; Madame Dubonnet, who "finished" Polly, is appearing in cabaret at the Cafe Pataplan; and the maid, Hortense, now works in the Hotel and has her eye on the manager. Polly, Maisie, Tony and Bobby play out their chance encounter in the form of a wickedly funny re-run of a famous scene in *Prizzi's Harem* (the Duke of Monomania's yacht is bigger even than the Duke of Westminster's), and the temporary reunion of Polly and Bobby is done in the style of Astaire and Rogers at their most languidly flirtatious. When all is happily resolved on board the Duke of Monomania's yacht, Madame Dubonnet appears as Mariene Dietrich to regale us with "Blondes For Danger," one of the wittiest numbers Mr. Wilson has written.

Noel Howard's production is, quite simply, one of the best amateur productions I have ever seen, scrupulously exact in its period detail, touching and funny, never coarse. The sets and costumes are a feast for the eye, and the performances, notably those of Angela Jenkins as Polly, Anne Katz as Hortense and Bill Crais as Sir Freddie, are bang in the style. An exhilarating evening, then, that suggests, if anyone has the money to spare, that a professional revival would do us all a world of good.

Festival Hall

Tavener

by MAX LOPPERT

Antigone, daughter of Oedipus, buried her brother Polyuces after his body had been condemned to lie rotting outside the walls of Thebes. For that act—an infraction of the edict of Creon, king of Thebes, which was itself a grievous transgression of moral law—she was punished with entombment in stone. In *The Inauguration of Antigone*, a soprano opening phrase hold the key to the musical working.) From the soloist are demanded a Brünnhilde-like range, from G below the stave to B above it, and powerful projection in a tessitura that rises, and through an orchestral texture that thickens, with the piling of the stones.

But the vocal line, at least as heard in this performance, makes no very specific effect, sounding broadly "dramatic" rather than illuminative of character and situation. Antigone conveys, as a whole, a stronger charge of energy than other recent Tavener compositions (such as *Psalmotipsos*, also heard on South Bank last month) have done, but it seems recounts present thoughts and feelings in a form that bears comparison with the classical scene. At a pre-concert talk Tavener revealed that he had written the complete voice part first, and from it had derived every aspect of the work's harmonic substance. (Study of the score bears out that the six notes of the



Victor Braun and Edda Moser

Purcell Room

New Scottish music

by NICHOLAS KENYON

The Redcliffe Concerts of British music justified the penultimate word of its title on Sunday night by bringing to London for the first time the well-established New Music Group of Scotland. They presented four works, two of them substantial vocal settings for Josephine Nendick: *Ave Maria*, by Margaret Lucy Wilkins, which sets medieval English texts; and *One Foot in Eden*, by Thomas Wilson, which sets three poems by Edwin Muir.

The latter title may be familiar as the name of the Arts Council's recent film about Orkney. But Davies is not the only composer inspired by the northern islands, nor is the poetry of George Mackay Brown which he sets the only possible literary response to the wild wonders of the area. Edwin Muir's quite different, measured, carefully selected metaphors convey another part of Orkneyan culture, far less self-consciously primitive, and Wilson has here matched them with potently evocative music.

With eight instruments and voice, he succeeds in creating crisply characteristic textures,

especially in the interludes between the poems: a swirling, windy scherzo of cross-rhythms disintegrating into unearthly echoes before the second, high, clashing shriek for strings and harp over the odd sustained note at the start. The vocal writing is direct and communicative, though the first and third poems had more direction than the diffuse central narrative. One or two over-written climaxes and a touch of tremolo cliché at the re-arrival of the strange horses in the second poem sound too simple in what is otherwise a subtle and stimulating score.

The playing seemed, without scores, most accomplished. Adrian Shepherd, the cellist well known as the director of the chamber orchestra Cantilena, played Lyell Cresswell's *In memory of*, with splendid vigour and control, and Edward Harper directed from the piano his own calmly winding "Quintet"—a quiet piece, which, for once, did not lack purpose and a sense of direction. A fine debut: good performers of contemporary music are by no means limited to the metropolis.

BBC 2/Radio 3

Carmen

by MAX LOPPERT

As all the world most know by now, April is BBC television's Opera Month. It is a bold, understating, promising in its eight complete opera broadcast ventures off the beaten track in addition to the repertory favourites. More in sorrow than in anger, therefore, it must be noted that the season got off to a distinctly unpromising start on Sunday evening with a *Carmen* from the Vienna State Opera that was big, internationally starchy, brightly coloured, and dramatically limp.

Xe Birelli, producer, designer, and director for television, concentrated on what in the film world are known as Production Values. Money was lashed out of this *Carmen* (the Vienna correspondent of Opera reports in the February issue an overall cost of 15m Austrian shillings, or over £500,000), and it showed. Most of the time, the large stage was packed with milling crowds in opulent costumes, live animals, spectacular scenery (the close of Act 1 borrowed, dubiously, from *Samson and Delilah*), Spanish dancers, a *no-so-on*. In other words, the usual big-opera-house mistake had been made with an opera that is a small, tight comedy, enclosing a terrible tragedy, and the results were the usual ones—inflation of stage perspectives, reduction of dramatic intensity.

All this was emphasised by the television presentation. If it was not the most inept relay from a leading opera house that we have seen it was still none too happily achieved. There was randomness, an air of large-scale indecision, in the way crowds streamed back and forth across the screen, obscuring the principal direction (the start of the Habanera was a mess). Better, such though, than the camera-dives into the pit and long, loving glances at the conductor. Carlos Kleiber, usually just at those moments when a singer demanded to be the focus of attention, it was instructive to record, in the Card Scene and in the final duet, two episodes in which the viewer was permitted temporarily unhindered access to the characters, a sudden rise in the temperature.

Kleiber's conducting was brilliant, of a kind sometimes no more than a hair's-breadth away from effects-seeking showiness. The quiet was hard driven, "Là-bas, là-bas" pulled about from slow to fast. The playing had been buffed to a high-gloss finish, but it lacked élan, Gallic salt. It was hardly a performance to extol the classic virtues of *Carmen* vocal style. Three of the principals boasted large, handsome voices, and spread them generously along the vocal lines. Elena Obraztsova's mezzo, except when she pressed it into a snarl, was its gorgeous self; she played Carmen with a Cinerama smile and an all-purpose hands-on-bips posture, without wit, flash, or danger, and with notably poor castnet technique. It was unkind of Zeffirelli, the designer, not to disguise more effectively her want of the *physique de* role.

Unkind likewise to dress Placido Domingo up as a large furry teddy bear. At least no tricks were played on the voice, which poured out with golden ease and passionate freedom. Obraztsova's compatriot Yuri Mazurok was the wooden Escamillo. Except by the Micaëla of Isabel Buchanan, touching and true if not always sweet of tone, various degrees of violence were practised on the French language. There was the oddest mixture of (authentic) spoken dialogue and (unauthentic) recitative in an edition disfigured by cuts.

Boult at 90

Among the many tributes to Sir Adrian Boult on the occasion of his 90th birthday next Sunday will be special feature-programmes on radio and television. These include: Sir Adrian in Rehearsal (BBC Radio 3, April 5); A Tribute to Sir Adrian on BBC 2, April 6; *Desert Island Discs* (Radio 4, April 7); BBC concert from the Royal Albert Hall (Radio 3, April 8).

Sir Adrian's new recording of *Holt: The Planets*, made in association with KEF Electronics, is released this month.

This announcement appears as a matter of record only.

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Tuesday April 3 1979

Greece and the Nine: a suspicious calm

By MARGARET VAN HATTEM, recently in Athens

Sadat stands isolated

PRESIDENT Jimmy Carter was only being realistic when he described the Egyptian-Israeli peace treaty, signed in Washington last week, as only "a first step on a long and difficult road" towards a comprehensive Middle East settlement. Just how long and difficult it will be has been underlined by the reaction of the rest of the Arab world, as exemplified by the results of their ministerial meeting in Baghdad. The rationale for the two-part Camp David programme was that some at least of the other parties to the conflict—Syria, Jordan and the Palestinians—would come round to the view that it would be to their interests to negotiate over the future of the West Bank meeting seriously under terms. If it does not entirely destroy any prospect of this happening.

At their previous meeting in November, it looked as though the moderate forces in the rejectionist camp, notably the Saudis, had exercised a restraining influence on the hard-liners. Even in the middle of last week's meeting the moderates seemed to be holding their own at the risk of a split in the Arab world. But in the end the agreement that was hammered out on Sunday constitutes a condemnation of the peace treaty by the Arab world of unexpected severity.

Sanctions

The outright rejection of the treaty by all the Arab states, apart from Morocco and Oman, means that there is little chance in the foreseeable future that any of them will participate in negotiations with Israel. The Egyptians (with the Americans) can still try to press ahead with negotiations over the West Bank, but the process will be even more difficult than it would otherwise have been.

Even more disturbing than the rejection of the treaty is the Egyptian decision to ostracise Egypt politically and to impose economic sanctions which are clearly intended to be severe. However these measures work out in practice, they are bound to make President Sadat's position more vulnerable, and uncomfortably dependent on the U.S.

Just how draconian the sanctions will be remains to be seen. Banning commercial transactions will not in practice harm Egypt given the small extent of its Arab commerce though it is as politically

Holding the wrong line

THE FACT that a large majority of the civil service stopped work yesterday in protest against the Government's handling of its pay negotiations is not in itself a sign that the Government is in the wrong. Sometimes a dispute has to be fought to establish an unacceptable principle, and when positions were first taken some months ago Ministers no doubt supposed they were digging in in defence of the official incomes policy—indeed, there are reports that this ghost is still being paraded in the negotiations. As things have turned out, however, the government cannot plead any such defence. It is fighting, over window-dressing.

Comparability

The principle which is worth a dispute here is whether the rule of comparability, which has been in force, with intermissions, since 1963 is any longer an appropriate one for setting civil service pay. The shakiness of the method has been conceded: the Pay Research Unit, in which civil servants were previously judged in their own cause, now has outside membership. The principle stands, however: job comparison, adjusted only for those factors which can be quantified—pensions and perquisites, but not job security, stable location, automatic increments and promotion structure—is not evidently different. This approach has produced clearly bad results in the past, including an award in 1974 which produced an explosion of anger outside the civil service: but the government has already in principle accepted the findings of the current exercise.

Instead, the dispute is over how this still unknown award is to be implemented. Essentially, the service is being asked to accept a flat across-the-board increase for the time being, and sees no reason why it should. The aim, if it is no longer to enforce incomes policy, is to make it possible to justify cash limits which express expenditure plans based on wishful thinking about incomes policy. The service is being asked to accept less than the Government has conceded in its duty to save the Government's face. The Government has sold the past, but is trying to erect temporary road blocks on the way.

Both principles are wrong. It

EEC NEGOTIATIONS are beginning to ask why Greece is walking so quietly into the Community. Unlike the British, who seven years after accession are still openly wondering whether they ought to be in, the Greeks have not really had a full-scale public debate. During two years of negotiation for membership, their Government has been at pains to emphasise to its voters the advantages membership will bring, perhaps disposing a little too easily of the problems that must inevitably come with them.

The anti-market campaign mounted by Mr. Andreas Papanastasiou, leader of the Pan-Hellenic Socialist Movement (Paseft), has been a pretty tame affair, focusing on the hollowness of NATO and the multinational corporations and the risk of becoming "a nation of waiters and hoteliers, the Florida of Europe," but rarely setting to grips with some of the more doubtful economic prospects.

The negotiations are almost complete and when Greek and EEC ministers meet in Brussels today the few remaining loose threads are expected to be tied up, clearing the way for accession at the start of 1981. Although Greece, after the five-year transition period, will receive a net £275m a year from the Community, it is already clear that major economic sectors may suffer badly from integration into the EEC. But where money is concerned, the Greeks have a reputation for not making mistakes. What, EEC negotiators are asking, do they have up their sleeves?

Two-foot-high olive trees

The Government has put its case effectively. Greek farmers may not yet have grasped fully the labyrinthine workings of the Common Agricultural Policy, but many of them understand what goes on in Brussels sufficiently to see what is in it for them. Even members of remote farming co-operatives in Crete expound on the benefits of trade that they hope for. Elsewhere in Greece, olive oil producers—who will do very nicely from EEC aid and price support—appear to be getting in ahead of the coming restrictions. The Community, in an attempt to reduce its olive oil surplus, bans support for newly planted trees. But somehow there are an awful lot of two-foot-high olive trees in Greece.

If the Greeks are eager for

the immediate advantages of EEC membership, they do not appear to have thought quite so hard about how it will change the country in the longer term nor how their accession—together with that of Spain and Portugal—will change the community. Agricultural policies, for example, which to some extent protect Italy and France, the two Mediterranean producers in the Community of nine, could bring enormous problems when applied to five producer countries in a Community of 12. Policy changes that will be needed to curb agricultural spending will almost certainly erode some of the benefits Greek farmers are looking forward to.

In any case, they will not do as well out of the CAP as those in the northern EEC countries. Unlike the Irish, they cannot coast to prosperity by producing milk, and the £275m which appears so impressive now, may not look quite so good after a few years at the lower end of the EEC farm income scale. Meanwhile, certain non-agricultural sectors of the economy appear to be in for a fairly tough period of adjustment.

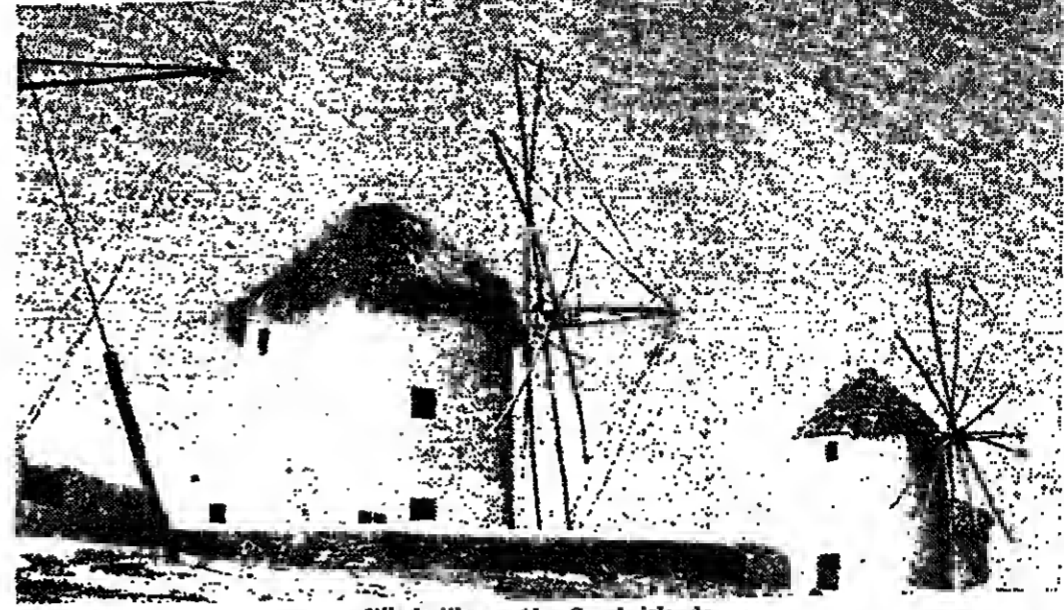
The first, and possibly the biggest, problem will be the need to get inflation down from the present 12.6 per cent nearer to the Community average of 7 per cent. While farmers' incomes and food prices rise, the Government will have to reconcile the other 75 per cent or so of the workforce to something near to a drop in real earnings. This will not be easy, particularly now that Mr. Papanastasiou, who enjoys strong support from young voters and industrial workers, has increased his party's share of the vote to 25 per cent.

At the same time, the Government will have less control over the drachma. Up till now, it has used rigid exchange controls and a tight grasp on the banking sector to steady its exchange rate. On entering the Community, it will have to liberalise its rules and allow the drachma to be freely quoted on foreign stock exchanges where it is widely expected to depreciate.

The removal of trade barriers is expected to stimulate imports from the rest of the EEC more than Greek exports. Any marked disparity between inflation rates is therefore likely to push Greece into the sort of inflationary spiral that Britain and Italy are constantly struggling against—even if it succeeds in bending the exchange control rules.

Moreover, despite the adjustments now agreed, Britain and Italy in the past were able to use heavily over-valued "green" currencies to shelter consumers from rises of food prices which would otherwise have followed the decline of their currencies on foreign exchanges.

The French campaign to curb the growing disparities between the "green



Windmills on the Greek islands

rates used for farm prices and the normal foreign exchange rates is continuing, and it looks as though the Greeks will not be allowed as much leeway as the British and the Italians were. The Greeks would like to gain from an overvalued green rate which would limit the cost of highly subsidised imports from northern EEC countries more than it would affect returns on their own more loosely supported exports. So far, they appear to have taken little interest in the dispute, although it is crucial to their interests.

Industry faces problems as the remaining tariffs on industrial goods are brought down over the five-year transition period. At the moment, Greek industry is heavily protected: the average 15 per cent tariff on industrial imports from the Community will have to be phased out altogether, the average 25 per cent tariff on imports from the rest of the world must be aligned with the Community's 7 per cent. Export subsidies and other State aids will also have to be phased out. This presents no problems for fully competitive industries such as textiles and footwear, which should do very well from their increased access to EEC markets. Other manufacturing industries may find the transition very tough.

The Greeks appear to hope that their comparatively lower labour costs will attract investment in industry from other EEC countries, but there are few precedents for this in the Community, whose industries tend to be concentrated in the northern regions, not in areas like the Italian mezzogiorno.

Mr. Georgios Koutogeorgis, chief Greek negotiator of a full accession agreement, which is expected to be signed later this year, takes a fairly robust attitude to these problems. "Our industry will have to be cut back," he says. "Some will survive, some will do very well, but some—heavy machinery for example—will have to go."

Nor does he expect the impact of EEC membership on the Greek cost of living—expected to raise the Consumer Price Index by 4-5 per cent in five years—will affect Government targets in the fight against inflation. "We have agreed in principle—to introduce a foreign exchange market. We want—in principle—to participate in the EMS. We will fix our green currency rate at parity with our foreign exchange rate on the day before entry. This in detail, but we do not expect many problems."

Uncompetitive industries

In fact throughout the two years of formal negotiation, the Greeks have not been too concerned with protecting uncompetitive industries. Nor did they insist on immediate freedom of movement within the Community for Greek workers, accepting a seven-year transition period. Though the official unemployment statistics are low, the Greeks admit to a high level of under-employment and concede that German fears of an influx of Greek workers may not be altogether unfounded.

The main overt aim of the Greek negotiations from the outset was to get the shortest possible transition period to full EEC farm prices for their farmers. This may have been a politically sound move, considering the size of the agricultural population, and the financial gains some farmers can expect from membership.

Farmers in certain sectors are in for some hefty increases after the five-year transition period (seven years for tomatoes and peaches). Olive oil producers will not only get a 14 per cent rise (just over £12 per tonne) but also production aid worth nearly £300 per tonne. On the average annual Greek output of 250,000 tonnes

community ones or even higher. Livestock producers face severe problems as the feed grain subsidies which helped keep them in business are phased out in accordance with EEC rules.

Declining domestic livestock production and restrictions on the traditionally large imports of cheap beef from Yugoslavia, for example, will push Greece towards the sort of dependence on expensive imports of heavily subsidised northern EEC products which Italy has already experienced, possibly with similar adverse effects on the balance of payments and the cost of living.

Meanwhile, once Spain (already a far bigger agricultural producer than Greece will ever be and with far more scope for expansion) and Portugal join the EEC, the present arrangements for Mediterranean agriculture will have to be modified if the Community is not to collapse under the weight of its olive oil, wine, fruit and vegetable surpluses.

No doubt Greek olive oil consumption will drop as prices rise and as national import restrictions on other edible oils are lifted, but any resulting surpluses will then be a Community not a national problem. The Community, which currently has a 98,000 tonne surplus, may have been worked out what to do about this.

Fruit and vegetable producers, no longer subject to the Community's countervailing duties on their exports of table grapes, tomatoes, cucumbers, peaches and citrus fruits, can expect to boost their returns substantially. They may even be able to undercut French and Italian producers since the Greek drachma will, at least for the first few months, reflect its foreign exchange value while the French and Italian green currencies are still overvalued. Aids for processed products such as tomato concentrate and canned peaches will be substantial when fully applied.

Citrus growers, who currently export less than 30,000 tonnes a year to the Nine, may not be able to place much more on EEC markets. But they will be eligible for substantial export rebates on the 300,000 tonnes they send annually to eastern Europe and the 40,000 tonnes elsewhere in third countries. At current rates, these rebates would cost the Community budget around £30m a year, but even so might be sufficient to cover the gap between EEC and world prices. The Community would then have to choose between increasing the subsidies on exports—mainly to the Soviet Union—and intervention buying.

But other farmers will be hard hit. For years, the Greeks have run their own price support system—they are no strangers to the chronic EEC problem of surpluses—and their guaranteed prices for meat and some cereals are close to Com-

Risk of damage to small states

Under existing support measures, production of these products would increase in the three new member states. But it would be exceedingly difficult to offload them on to world markets. This is so because the Community would, by then, include all the major Mediterranean producers, leaving extremely vulnerable the smaller weaker ones such as Cyprus, Tunisia, and Morocco, whose economies depend heavily on farm exports. Should the EEC try to jettison its commitments to import from these countries, or try to undercut them on world markets, the damage to them would bring unpleasant political consequences all round.

The Mediterranean farm sector in the Community of 12 will almost certainly be forced to modernise, to become smaller and more efficient. This point has been made many times in the accession negotiations and is not lost on the Greeks. With so little to gain economically in the longer term, the Greek Government's eagerness to join the EEC is, usually explained in Brussels as being political. In that case it may be paying a very high price for the political stability it foresees.

But that looks a bit uncharacteristic. So some in the EEC Commission are worried by the calm of the Greek accession process. Many Greeks, they say, have a sentimental feeling for Britain going back many years and have followed closely its progress as an EEC member. Could they, too, be planning a renegotiation of the national foot is securely in the Community door?

MEN AND MATTERS

Blackout for that other election

A multi-media campaign designed to make the British public sit up and notice the European elections has been set up. It was due to start with advertisements in next Sunday's newspapers and to run until April 30. Now the advertisements have been suspended—and may be withdrawn altogether.

The reason is a little-known agreement between the British Government and Roy Jenkins, President of the European Commission.

Even pro-market politicians were making nervous noises last year about the harm a glossy publicity campaign might do, and the budget was therefore kept to a relatively modest £600,000. In response to other nervous noises, a search was made to find an agency neither American-owned nor involved in political work. The contract eventually went to Lintas (since taken over by Americans, however).

But the British Government was still not satisfied. On January 31 this year Sir Donald Maitland, permanent representative to the community, wrote to Jenkins expressing the view that the publicity cam-

Tight ship

I am beginning to lose count of the number of men overboard from the sailing ship giant, P & O. The biggest splash was created by last month's sudden resignation of erstwhile chief executive, Sandy Marshall. But many lesser luminaries have suffered a similar fate, although not all have been pushed.

The latest casualty is Robin Sanders, the company's head of information, now rushing off to join Seacontainers, The United States group.

Sanders' problem can be swiftly summarised: he had lost his entire 15-strong corporate PR department. This fate is not unique in a company now very much under the personal thumb of Lord Inchcape, who changed from being non-executive to executive chairman last September.

Inchcape has also got rid of his brand planning and economic forecasting department. Altogether, about 150 central office staff have gone as a result of Inchcape's new broom.

Matters do not stop there, either. The city is full of rumours about possible sales of P & O assets. One of the favourite speculations in the property world is that Inchcape is about to dispose of the company's attractive headquarters building in Leadenhall Street. It is said to be worth £100m.

As is usual with P & O these days, there are two contradictory camps: one welcomes the turning of the screw on over-heads and the other questions the wisdom of returning to a style of management which brought prosperity 15 years ago, when circumstances were entirely different.

Spears are in

With South Africa ruffled by professional suggestions to play down the Boer victory at Blood River, the London travel firm, Musgrove and Watson, has adopted a near-subterranean profile for its Zulu War centenary trips. Even so, its arresting slogan, "Spears Are In This Year," might seem like tempting fate.

Christopher James, who has set up the Zulu holidays, is not keen to go into the rights and wrongs of 109 years ago: "It's all a matter of opinion," he tells me—while conceding that his own feelings are strongly pro-Zulu.

South African by birth, James has 400 books on the Zulus, speaks their language, and regards the war as his "hobby." So far, he says, there has been no negative reaction at all, and he has sold out one out-price tour aimed particularly at old soldiers. "I have had a lot of inquiries from descendants of survivors of both Rorke's Drift and Isandlwana."

While keeping his eyes on the possibilities of the Boer War and the Second World War, James is looking in other directions, too, including the battle-fields of 1939-45. "There is a clearly defined market for every specific battle," he says.

The only rival I have been able to discover is, or rather was, called Captain Cordón's Battlefield Tours. But it met its commercial Waterloo last year.

Sailor's friend

The imperial heritage dies hard in far corners of the globe, as illustrated by an advertisement by the Nigerian Navy inviting tenders for all manner of exotic items. For instance, more than 300,000 kilos of yams are needed to keep morale afloat. But also sought are 2,000 housewives (Nigerian Navy Standard). As old salts and soldiers will recall, a housewife—pronounced *hussif*—often came in handy. Since long before Trafalgar and Waterloo, this canvas bag of needles, pins and cotton was a basic issue. So the Nigerians have learnt how to keep their buttons on, British-style.

Snake alert

Monetary confusion is reported from Dublin, where—after 150 years—the pound sterling has suddenly become a foreign currency. A last vestige of the British influence is in the elaborate 10 punt notes, which bear a portrait of Jonathan Swift so closely resembling a certain member of the Shadow Cabinet that they are known as "Whitelaws."

Bewildered by the writhings of the Snake, Irish shopkeepers nervously reject British money—even though sterling is now worth 1.4p more than the sinking punt. It is, one could say, almost an Andorran situation.

Verse and worse

The decline of the British talent for versifying was sadly revealed yesterday when the results of a clerihew competition were announced. Along with sundry notables, including Dennis Norden and the editor of Punch, I was called upon to

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The Teamsters' challenge to Mr. Carter's pay policy

BY JOHN WYLES IN NEW YORK

PRESIDENT CARTER'S Administration appeared, at the weekend, to have secured the worst of all possible worlds in its handling of the critical trucking industry pay talks.

It was faced with a national shut-down of the industry by employers retaliating against selective strike action; despite the fact that the government had interpreted the pay guidelines so flexibly that its pay limit has effectively been raised from 7 per cent to around 10 per cent.

Most of the details are still obscure. But it seems that as the deadline approached for the negotiation of a new contract, last Saturday midnight, the Administration judged that a settlement with the truck drivers could be reached peacefully if it excluded certain pay and benefit increases from counting against the pay limit.

The risks of the course taken by the Administration are profound. The teamsters are the first major group of workers in a cycle of important contracts to be negotiated this year in the rubber, electrical goods manufacturing, food processing and motor industries. At the very least, some of the unions involved in these forthcoming negotiations may well be encouraged to believe that if the going gets rough, the government can be assumed, to have

as much spine as a jellyfish in defending its pay policy. Thus, whatever the outcome of the teamsters' dispute, the Council on Wage and Price Stability, the guardian of the guidelines, may already have critically compromised its own integrity and that of the policy.

The Government claims that so far the pay guidelines have met with some success and that 33 major deals covering 325,000 workers have been settled within the 7 per cent limit. But price-restraint has seemed to many to be a chimera. The credibility of the guidelines has been badly shaken by the 15.4 per cent annual rate of increase in the February consumer price index and the 26 per cent increase in corporate profits in the fourth quarter of 1978 over the year before.

Non-unionists

The pay guidelines were written with the aim of curbing the half dozen or so major pay deals, including those of the Teamsters and the car workers, which are to be negotiated this year. These agreements play an important part in helping to determine the wages paid to many of the 80m Americans who do not belong to trade unions.

1980 presidential election season approaches. Although the parallels should not be exaggerated, Mr. Carter's problem with the Teamsters carries distinct echoes of the conflict of British miners with Mr. Edward Heath's Government in 1974. Like Britain's miners, the Teamsters have always been seen as the key test for Mr. Carter's incomes policy because they are a group of workers with industrial muscle, accustomed in recent years to above-average pay rises and their negotiations come early in this year's cycle of important pay deals.

This has been built up by a number of court cases launched by the Carter Administration aimed at eliminating alleged corruption in the handling of the union's health welfare and pension funds. Under an agreement with the Labour Department, Mr. Fitzsimmons himself was forced to resign in 1977 as trustee of one of the union's largest funds, the Central States Pension Fund, and he and his fellow trustees, most of them Teamsters officials, have since been accused in a Federal suit of mismanaging the fund.

of corruption within the union and of alleged links with organised crime. The McLellan Committee, as it was known, featured some memorable duels between its chief counsel, Mr. Robert Kennedy and Mr. James Hoffa, the legendary Teamsters president who disappeared without trace in the summer of 1975.

There has been, however, a benign side to government relations with the Teamsters which is extremely relevant to the current battle over pay. Federal regulation of the trucking industry through the Interstate Commerce Commission began in 1937 with the aim of eliminating destructive competition and ensuring predictable and reliable inter-city carriage for all categories of goods. Traditionally, the ICC has havely allowed truckers to pass on cost increases in higher charges with the result that for the past 15 years the Teamsters and the employers have not annually agreed substantial national pay and benefits settlements, the costs of which were then usually endorsed by the ICC in the form of higher charges to shippers. For the truck drivers the direct result has been a 137 per cent increase in wage rates during the past nine years compared with an 81 per cent rise in the consumer price index.

But the effect of regulation on the employers has been, as one close observer put it, "to remove their bargaining backbone so that when it comes to the crunch they are men of straw." Negotiation of the 1976 contract provided some illustration of this. Although there are some 17,000 trucking companies covered by ICC regulation, the

national pay talks directly cover the largest 500 carriers employing in the region of 300,000 drivers and warehousemen. Angered by the industry's refusal to agree to a large enough settlement, Mr. Fitzsimmons called the industry's first ever national strike from April 1, 1976. While the major carriers stood firm, a breakaway group based in the Chicago area promptly sued for terms and within two and a half days the industry was back at work on the basis of a 34.4 per cent increase in wages and benefits over three years.

Dissidents

The muscular approach employed by Mr. Fitzsimmons and his colleagues three years ago appeared to stem partly from a desire to fend off dissidents within the union who had been (and still are) exploiting the whiff of corruption which has tainted the leadership of the union for more than 20 years. Since he took over in 1967, originally as a caretaker president while Mr. Hoffa served a prison term for bribing jurors, Mr. Fitzsimmons has been determined to shake off the Hoffa sent out for sandwiches and coffee.

But the Teamsters are far from ineffective. The union is far and away the largest in the U.S. and its 2.3m members range from truck drivers to airline stewardesses, from cab drivers to nurses and from brewers to policemen. It has been more successful, and more dogged, than many AFL-CIO affiliates in securing bargaining rights for new members and is far more ready than some to use the strike weapon in support of its goals.



Idle U.S. juggernauts—300,000 drivers are subject to a national lock-out

The trucking employers felt compelled to stand behind the guidelines in the fact of the Teamsters' apparent determination to breach them. The Government's leverage on the employers, through its control of freight rates, meant that the union has been negotiating for the past three months with the Government.

Until he started to bend last week, Mr. Alfred Kahn, the economics professor who heads the Council on Wage and Price Stability, had warned the employees time and time again not to rely on being able to recoup the costs of a guidelines busting settlement through higher charges to shippers. The potency of this threat cannot be over-estimated. Wage costs reportedly equal 60 per cent of many companies' revenues and undoubtedly some would opt for the wall if forced to pay for a settlement. Teamsters' officials are not blind to this and some have come to agree with the characterisation of the 1974 deal as a "suits pact" because more than 100 companies were either merged or closed down in the first 18 months of the agreement and they included two significant East Coast bankruptcies: Another factor pushing the union towards a more moderate settlement in 1976 was the growth of the non-union trucking sector.

The spectre which haunts both the union and the truck-

ing employers is the Administration's threat to deregulate the trucking industry if the pay policy is flouted.

But the deregulation card, never the strongest in the pack, has clearly failed to win the agreement the Administration had hoped for. The prospect now is for a damaging stoppage which the Administration may try to avert by seeking an 80-day cooling-off period through a Taft-Hartley injunction. But whatever happens, the 7 per cent pay limit has been made redundant. In seeking to put a gloss on the debacle, the Administration will probably argue that on the grounds of equity a higher increase was justified. Unnamed White House sources have been widely quoted over the past few days as pointing out that the inflation rate is at least three per cent higher than the 6 per cent envisaged when the policy was launched last October, and that therefore some adjustment was necessary.

These adjustments cleared the way for a deal which the employers have costed at more than 30 per cent over three years. But the Administration refused to give its blessing to a more generous cost-of-living clause demanded by the teamsters and to inflation-proof pensions. Other items of the contract, including pay rates, were substantially agreed and apparently endorsed by the Administration, which had indicated that the cost of the deal could be passed through in higher freight charges. But the last-minute deadlock on Saturday has left the U.S. facing a damaging trucking strike which could seriously affect basic industries like steel and motor vehicles and possibly help the slide into a recession which many economists are predicting this year.

cost of living payment due on April 1, and therefore technically "new money" because the old contract expired on March 31, would not count against the pay limit. This windfall for the teamsters, who were making no secret of their readiness to strike, came on top of a re-writing of the guidelines accomplished last December which excluded from the pay limit most of the cost of maintaining current health benefits in the industry and of increased funding of pension funds made necessary to comply with the law.

Revisions to those guidelines were announced by the Administration, which had indicated that the cost of the deal could be passed through in higher freight charges. But the last-minute deadlock on Saturday has left the U.S. facing a damaging trucking strike which could seriously affect basic industries like steel and motor vehicles and possibly help the slide into a recession which many economists are predicting this year.

Revisionism

This is a novel revisionism to those who believed that the only justification for an incomes policy was to persuade people to accept a cut in their standards of living by taking pay increases substantially lower than the rate of inflation.

GENERAL

UK: Parliament debates shortened Finance Bill, replacing Budget.
Stock Exchange Council divides whether Telisman, the computerised settlement system, should start on Monday (April 9).
Lloyd's Register of Shipping publishes annual report.
Overseas: EEC Foreign Ministers meeting in Luxembourg discuss relations with Yugoslavia, Turkey and Greece.
Herr Helmut Schmidt, West German Chancellor, leaves for South American tour.
Municipal elections in Spain.

Today's Events

OFFICIAL STATISTICS
UK official reserves for March, capital issues and redemptions, during March.
PARLIAMENTARY BUSINESS
House of Commons: Proceedings on the Finance Bill and on the Consolidated Fund (Appropriation) Bill. Completion of the remaining stages of the Weights and Measures Bill (the Household Refrigerator Carriage by Air and Road Bill (Lords)).
House of Lords: Arbitration

COMPANY RESULTS
Final dividends: American Trust Co., Bank of Scotland; Black and Edgington; A. F. Bullfinch and Co.; Cape Industries; Harrison and Sons; Savoy Hotel.
Interim dividends: Burnside Investments; James Halstead (Holdings); Highland Electronics; Group; R. P. Merrin and Co.
COMPANY MEETINGS
Baumont Properties, Winchester House, 100, Dld Road, Street EC 2 3D, Grindlays House, 23, Cornhill Street, EC 3 3ND, 11.20.
Marchwiel, Grosvenor Hotel, Chester, 11. Penland Investment Trust, 3, Albyn Place, Edinburgh, 12.



The Palomino grape. The very beginning of a classic sherry.

No wine can call itself a sherry unless it starts life on the gently sloping hills around Jerez de la Frontera in Spain. Here, throughout the long hot summers, the white Palomino grapes slowly ripen. Come September, they are gathered by hand and taken in for pressing. The juice - called mosto - is allowed to ferment naturally in wineries at the vineyards. Some of these mostos will develop flor - a yeast on the surface of the young wine. Why this should happen to some wines and not others remains a mystery. But it is the presence of flor that determines which wines will develop the characteristics of finos and amontillados. The classic fino is pale in colour and dry to taste with a delicate bouquet. Luncleon Dry is just such a fino. Serve it chilled to appreciate fully its true character. The classic amontillado is allowed to mature for longer in the cask, taking on a richer colour and a subtle nutty flavour. Such is the character of Club Amontillado.



Luncleon Dry & Club Amontillado. Two classic styles of sherry from Harveys of Bristol.

Controls on imports

From Dr. R. Horvitz
Sir—But they (the Cambridge Group) are hooked on aggregates, comments Samuel Brittan on the group's Economic Policy Review for 1979, that fastens on import controls as the neo-Keynesian saviour from the neo-Keynesian disaster of income policy after the Keynesian fall from grace of aggregate effective demand.
Hooked expresses precisely the addictive process by which the "aggregations" form their own dreams - and others' nightmares - from their regulations of behaviour. They now patently believe that their constructs of gross national product and "gross international income" really exist as information for operational realities. But nothing whatsoever actually occurs except at the point of action by an organisational unit, business firm or public sector enterprise.
The present unmanageability of the managed economy was the inevitable, and predictable, consequence of fiscal policies based on constructs of totalities to that shopfloor action on income policy generates destabilising uncertainties.
Two theoretical propositions - one from economics and one from public administration - can be set out in respect of import control as a policy instrument. At the level of the firm the investment-output decision will result in an over-extended marginality so that ultimately the firm will go bankrupt unless there is import subsidising. The administration of import control must require a licensing permit restricted in quantum so that it becomes the instrument for bribery and corruption - this cannot be prevented by allowing for the sale of permits.
South Africa provides the empirical evidence: import controls were introduced in 1946 as the economics for one country. In a short period all textile imports were prohibited including whole ranges not manufactured in South Africa with administrative provision for exemptions. A former South African as myself know that the origins of Muldergate can be traced to the corrosive corruption starting with import controls.
Dr. Ralph Horvitz, London Regional Management Centre, 311, Regent Street, W1.

The way people vote

From Mr. S. Gampell
Sir—For the General Election the Edge Hill by-election result may have more prognostic value than your and other commentators suppose, and not at all in the way that meets the eye.
It may then appear that at Edge Hill the Labour lukewarmers abstained rather more than they would normally do on a wet day (the weather is a major determinant of British elections); the Liberals polled ever their real strength may be; a full normal proportion of whatever their real strength may be; and the Tories turned out massively - and mostly voted Liberal as the best chance of checking the Labour man

Letters to the Editor

realised to create wealth and stable employment.
Dennis Lawrence, Co-operative Development Agency, Cromwell House, Denn Stanley Street, SW1.

Local authority audits

From the Chairman, CBI Working Party on Industrial and Commercial Rates
Sir—Mr. R. Jones, in his letter to you (March 12) concerning the "Valre for money" study which is to take place in Cheshire, ignores some basic points.
Over half the rate demand is paid for by the non-domestic ratepayer. Most of this is accounted for by industry and commerce, which paid around £3bn last year. This is more than the corporation tax burden, and it is inevitably having its effect on investment programmes and job prospects in the private sector. We would like reassurance that we are receiving value for money, in terms of the services provided. "Value for Money" studies are not a new idea. They were proposed in the Layfield Report, and accepted in the Government's Green Paper. It was proposed that they should be supervised by an independent institution, in which the local authorities did not have a majority. Industry and commerce clearly have no votes, and we saw this as being an opportunity for us to become involved in a legitimate way, without crossing the democratic process. Nothing prevents us from happening since the publication of the Government's Green Paper in May 1977, we have launched a local initiative in this direction.
We believe that the Cheshire County Council deserves credit for having accepted our proposal. If it leads to any positive results, it will be to the benefit of everyone, and hopefully, the initiative will be repeated in other local authority areas.
M. E. D. Davis, Confederation of British Industry, North-West Region, Emerson House, Albert Street, Eccles, Manchester.

Industrial enterprise

From The Director, Co-operative Development Agency
Sir—Rupert Cornwell's instructive article (March 28) on Italian co-operatives reports that both the Socialist and Communist elements of the National League of Co-operatives emphasise that co-operatives must be viable; and quotes Ornelio Prandini, the League's Communist president as dismissive of the British idea of a co-operative as a last-ditch solution for an enterprise already doomed. Mr. Prandini is miles behind the times.
Published in 1977, the report of the working group on a Co-operative Development Agency (Cmd. 6972) which led—with all-party support—to the setting up of the agency, specified as conditions of success a thorough appraisal of the prospect for viability, and proper organisation, financing and management; and objected to the last resort use of the co-operative form of organisation in a situation of commercial crisis.
The working group was concerned that the example of so-called worker co-operatives would be used, quite wrongly, in criticism of co-operation generally, and of co-operation as an alternative form of organisation. I hope that this letter will do something to remove the misunderstanding which many still share with Mr. Prandini.
The agency's view is that the establishment of a successful industrial enterprise constituted as a co-operative needs at least as much organisational care, managerial competence and commercial realism as the establishment of a conventionally constituted enterprise. That said, the extra that co-operation has to offer as the remaining ingredient without which full success cannot be guaranteed is a potential, in motivation. The Italian example is by no means the only one to show that that potential can be

Readership of reports

From Mr. K. Tunstall
Sir—If 99 per cent of annual reports are considered straight to the waste paper bin unread and unwanted—as suggested in Harry Riley's article of March—here must be a case for allowing members to waive their entitlement with their company on voting and postage costs. While circularisation existing and new members on this issue, readership could be sought authority to pay dividends by direct credit thus precluding the risk of loss in transmission and the inconvenience of having to obtain an indemnity from members before issuing duplicate warrants.
Keith Tunstall, 39 Grove Street, Lemington Spa, Warwickshire.

Communicating the facts

From Lord Brown
Sir—Mr. Barclay's criticism (March 28) on my article on direct communication of facts to all employees is based on misreading I, too, wish to see managers communicating directly person to person, in small groups and, as advocated, in much larger groups at times by letter.
But Mr. Barclay also wants managers to meet such groups in order to persuade them. If he does this to groups of trade union employees my bet is that shop stewards will strenuously object. Why? Because in doing so he would be starting the process of negotiating. This is properly the role of representatives.
Managers cannot negotiate agreements, which affect the many, by persuading one small group after another. It would be an impossible and, in my view, an improper process in a company employing say 3,000 people.
I am simply concerned to ensure that all employees know the facts and too many companies fail to take the steps open to them to ensure such a situation. Direct communication by letter of the facts, and facts alone, is one essential step in large companies, particularly when the situation is complex.
I do not suggest that other methods are inappropriate as long as no attempt is made to by-pass proper negotiating procedures. Shop stewards are charged by their constituents to negotiate and their role must be recognised if trouble is to be avoided.
Wilfred Brown, 8, Blenheim Road, NW8.

Brewing lager

From the Production Director, Shepherd Neame
Sir—The brewing supplement (March 21) as usual makes interesting reading for those of us within the trade, as well, no doubt, as market investors. There is, however, one misconception that regularly appears in this supplement, which this time is in David Churchill's article when he remarks that: "You can brew English ale in a lager brewery, but you cannot brew lager in an ale brewery." He also comments that the smaller breweries, unable to afford the expensive equipment needed to make lager, have produced an inferior "non-Continental" type lager.
We have refrained from comment previously since there are small brewery companies, other than ourselves, probably better fitted to draw this error to your attention. Certainly we (and to our knowledge a number of other smaller companies) are brewing lager strictly according to Continental methods and specifications in an ale brewery,

UK COMPANY NEWS

Ocean Transport makes headway in second half

PROFITS before tax of Ocean Transport and Trading reached £10.14m in 1978 compared with £38.5m in 1977 but after tax exchange adjustments and minorities, it group incurred a loss of £2.26m against profits of £2.2m previously.

unwise to give any firm assurance of the 1979 dividend payment even though the year's pre-tax result should be modestly better than 1978.

Low and Bonar climbs 22% to peak £8.7m

WITH SALES up 26 per cent to £142.62m, the Low and Bonar Group, packaging, engineering, textiles and flooring concern, expanded taxable profits by 23 per cent from £7.1m to a record £8.68m for the year ended November 30, 1978.

Kingdom growth last year came from the GHP subsidiary, acquired in the dryog weeks of 1977 which gave its first full year contribution of around £1.3m after interest charges on the funds raised for the purchase.

KCA profits up £0.8m: dividend raised to 1p

KCA International - formerly Berry Wiggins and Co. - oil servicing and contracting, etc., finished 1978 with record taxable profits of £2.74m against a previous £1.98m. And it was achieved on a much lower turnover of £18.15m compared with £26.25m.

DIVIDENDS ANNOUNCED

Table with 5 columns: Company Name, Current payment, Date of payment, Corrected dividend, Total last year. Includes companies like Erith, Freeman (SW9), Charles Hurst, etc.

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Included third interim of 0.09022p.

I. and J. Hyman jumps to record £1.6m - 900% dividend boost

IN LINE WITH the confidence expressed at the interim stage, I. and J. Hyman, a plastic foam converter, reports a jump from £0.7m to £1.6m in group pre-tax profits for 1978.

Results for 1978 include Draka Foam as a wholly owned subsidiary and the appropriate contributions from Fethered which became wholly owned during the year.

Dividends took £1.37m against £1.24m, leaving retained profits more than doubled from £1.51m to £3.33m.

G. Lovell profits well ahead

PROFITS BEFORE tax of G. F. Lovell and Co., confectionery maker, were lifted from £151,000 to £348,000 in the year ended October 31, 1978 on turnover of £4.16m against £3.18m.

Warren Plantations receives £1m remittances from India

Warren Plantations has received £1m of remittances from India. The payment of these sums, much later than was originally expected, represents a softening of the attitude of the Indian authorities which still dispute the tax position of Warren and many other British owned tea companies.

Rivlin does not see profit until next year

I. D. and S. Rivlin Holdings, which has its listing suspended last June, reports a pre-tax profit of £1,900 in respect of its continuing businesses for the six months ended October 31, 1978.

After tax and minorities there is a net loss of £2,100, compared with £127,500 before an extraordinary debit of £28,400 in respect of terminal closure losses.

BSR warns on lower record changer sales

STOCK reduction programmes have become widespread among customers of BSR and group sales of record changer mechanisms for the first quarter this year will be appreciably lower compared with 1978, Mr. J. N. Ferguson, the chairman, tells shareholders.

Queens Moat up to £0.45m

THE DIRECTORS of Queens Moat Houses, the hotel, restaurant and catering group, announce record taxable profits of £446,643 for 1978, compared with £263,473 last year.

Reckitt & Colman 1978 Unaudited Preliminary Results

Sales rose 8.9% to £606.64 million. Profit before tax rose 5.9% to £61.3 million. Earnings per share rose 4.2% to 55.67p.

Table with 3 columns: Item, 1978 (£ million), 1977 (£ million). Includes Sales to customers, Trading profit, Profit before tax, etc.

Comments on Results. Reckitt & Colman achieved increased sales and an improvement in profit before tax and earnings, despite the continuation of difficult world trading conditions.

As forecast in the interim report, the dollar-sterling rates of exchange were the most significant factor in holding back profit growth. Had rates been the same as the average during 1977, excluding Latin America, profit before tax would have been £64.2 million.

Ordinary Shares Sub-division. The directors recommend that the ordinary shares of 50p each be sub-divided into shares of 25p each and a resolution to this effect will be proposed at the annual general meeting.

Reckitt & Colman logo and address: PO Box 26, Burlington Lane, London W42 8RW. Principal product groups: food and wine, household and toiletry, pharmaceutical.

Rentokil expects further rise

A FURTHER significant rise in profits is expected in 1979 by Rentokil Group, specialist in timber preservation, pest control, damp proofing etc. Mr. W. H. Westphal, the chairman, tells members in his annual review.

Neil & Spencer confident

The order book at Neil and Spencer Holdings was most encouraging, the chairman, Mr. John Boex, told the AGM indications pointed to satisfactory progress for the year.

Freemans advertisement. Mail Order. Preliminary results for the 52 weeks ended 27 January 1979. Turnover including VAT £200,232. Profit before Tax £16,747. Bar chart showing turnover for 1976/77, 1977/78, 1978/79. Includes text: MORE REAL PROGRESS. * Turnover up 20.3%. * Profit before tax up 28.2%.

Companies and Markets

UK COMPANY NEWS

Reckitt tops £61m but troubled by exports

After the rise from £28.2m to £31m in the first half, pre-tax profits of Reckitt and Colman...

Earnings per share are shown at 55.67p against 53.43p, and the final dividend is 6.65317p...

It is also proposed that with effect from July 27, the 50p ordinary and unclassified shares be subdivided in shares of 25p each.

Mr. James Cleminson, the chairman, says that, excluding Latin America, profit before tax would have been £64.2m, if it had been translated at the average rates of exchange effective in 1977...

In the light of this, the actual improvement in pre-tax profit represents solid achievement since so many of the major reasons in which Reckitt trades have their currencies related in substantial way to the U.S. dollar.

It is encouraging that with the exception of North America and of exports from the UK, the group's businesses around the world have turned in very good sales and profit figures in local currency terms.

During 1978 the group continued its development policy, capital expenditure amounted to £28.87m, of which £13.5m was spent in the UK.

North American results were disappointing, due in part to a large potato surplus in the U.S. and a consequent inability to obtain satisfactory margins in the group's commercial dehydrated potato business.

Offsetting this, the group's food business through the retail trade was good with improved market share being achieved in many product areas.

Exports from the UK had a particularly difficult year due to the relationship of sterling to other trading currencies during 1978 and to the problems of obtaining import licences and exchange.

The chairman says the UK export problems are likely to remain and have been increased by the troubles in Iran.



Mr. James Cleminson, chairman of Reckitt and Colman, photographed with some of the company's products

On the other hand, the transport-drivers' strike in the UK and the strike, which has now been settled, in the group's main...

Table with 2 columns: 1978, 1977. Rows include UK sales, exports, total sales, trading profit, etc.

* including £4.95m in India, now an associate, including sales of £1.27m for subsidiary in Chile.

should be regarded as only temporary setbacks. The directors remain wholly confident in the group's long-term growth.

The percentage contributions to sale and profit by the group's various products were: Food and wine, 40.1 (41.6) and 26 (27.8); household and toiletry, 36.2 (34.7) and 52.8 (47.6); pharmaceutical, 9.9 (8.8) and 13.4 (15.3); industrial, including pigments, 9.5 (9.3) and 7.4 (8.7) and leisure 33 (4.8) and 14 (0.6).

See Lex

ANGLIA TV

Anglia Television Group proposes a one-for-two scrip issue in "A" non-voting shares to all existing classes. The issue which involves a capital increase from £2.2m to £3.3m applies to shareholders registered on March 30, 1979.

There was an increase in working capital of £28,702 (£289,000) in the year to October 31, 1978. The number of employees earning over £10,000 per annum rose from seven to 25.

Meeting, Norwich, April 25 at 2.30 pm.

Erith up by nearly 50%

FOLLOWING the midway rise from £35,000 to £508,000, taxable profits of Erith and Company, builders' merchant, were up nearly 50 per cent to a record £1,167,569 for 1978, compared with £782,424 previously.

The directors say this arose from the company's ability to take advantage of the upsurge in demand for building materials, notably from the improvement and maintenance sectors of the industry.

Increased demand continued through to the year-end and they are hopeful that this will continue throughout 1979.

From higher stated earnings of 11.56p (8.14p) per 25p share, the net dividend total is lifted from 5.5p to the maximum permitted 6.05333p, with a final of 4.06753p.

A professional revaluation of the company's properties has disclosed a surplus over book value of £1,526,182.

Table with 2 columns: 1978, 1977. Rows include Turnover, Trading profit, etc.

Tioxide profit downturn

The Tioxide Group, owned equally by ICI and Lead Industries, reports pre-tax profits down from £10.74m to £4.91m in 1978 on turnover of £144.3m against £143.06m previously.

Earnings per share are shown to have fallen from 39p to 6.7p. After tax of £2.33m against £2.04m and minorities, the attributable profit is cut from £9.77m to £2.08m. SSAP 15 has been adopted and comparisons are adjusted.

A final dividend of 4p on increased capital compares with a total of 14.5p in 1977. The group, formerly British Titan, produces and sells titanium oxide and other titanium compounds.

GLASS GLOVER

Following discussions with the Inland Revenue and subsequent permission obtained from the Treasury, the directors of Glass Glover Group are declaring a special dividend of 0.1p per 5p share in respect of the year ended September 30, 1978.

The Treasury has also agreed that the group may add 55.67p plus 10 per cent in respect of the...

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Annual indications are not available as to whether dividends are intended or final and the sub-divisions shown below are based mainly on last year's timetable.

Table listing board meetings for various companies including Anglo-Siam, Anglo-French, Anglo-Norwegian, etc.

T. Jourdan slumps to £236,341

A SECOND-HALF SLUMP from £277,227 to £236,341 left taxable profits of Thomas Jourdan, investment holding company, more than halved from £500,227 to £236,341 for 1978. Turnover was unchanged at £4.62m against £4.63m.

Mr. Archie McNair, chairman, says, however, that the balance of prospects is in favour of an upward trend, particularly in the second half of 1979.

Subsidiary, John Corby continued to make progress, he says, with sales up by nearly 20 per cent. And profits from royalties increased by 28.6 per cent to £287,125.

Earnings are shown as 5.02p (3.94p) per 10p share and the dividend is stepped up to 3.2243p (2.8975p) net with a final of 2.2190p. The directors say the favourable prospects have enabled them to pay the maximum dividend possible.

The available amount emerged at £190,623 (£321,935) after the year's tax charge £34,669 (£24,117) and an extraordinary debit of £1,049 compared with £37,172 last time. Dividends absorbed £126,244 (£113,924).

THARSIS

THE THARSIS SULPHUR & COPPER CO LTD ANNOUNCEMENT OF ANNUAL RESULTS

Table showing annual results for 1978 and 1977, including Turnover, Profit before Taxation, etc.

Table showing Pyrites Sales Tonnage for 1978 and 1977.

The exceptional item arose out of a provision made at 31st December 1977 for the estimated sum payable as compensation for the early retirement of some 220 employees.

The total sum payable has now been determined by the Spanish Authorities and it has been agreed that taxation relief will be obtained against the profits for the year ended 31.12.78.

In view of the net loss for the year the directors do not propose to recommend any dividend in respect of the year 1978.

The Spanish Administration has now granted tax exemption in respect of the transfer of the mining and industrial assets of Tharsis to its wholly owned Spanish subsidiary, now called Compania Espanola de Minas de Tharsis S.A. ("Minas de Tharsis").

The way is therefore now clear to proceed with the formalities required to complete the transfer of assets to Minas de Tharsis but before doing so it is proposed to seek the approval of shareholders at the Annual General Meeting of the Company to be held on 23rd May 1979 and an appropriate resolution together with further details will be included in the Annual Report.

The Spanish Ministry of Industry has granted an extension of a further year for final compliance by the Company with the requirements of the Spanish mining law. A Scheme of Arrangements under section 206 of the Companies Act 1948 will be required to permit the transfer of the share in Minas de Tharsis to the Tharsis shareholders, which is the final stage of the reconstruction arrangements.

The Bank of England have indicated that under present regulations the shares in Minas de Tharsis received by U.K. residents would not be premium worthy on sale and would have to be held in restricted deposit by an authorised depositary.

Mr. Frederic Velge has been appointed Chairman of the Board in succession to the late Mr. James C. Robertson.

The Annual General Meeting of the Company will be held in Paris on 23rd May 1979, 30th March, 1979.

For advertising details please ring 01-248 8000 Extn. 7008

LOCAL AUTHORITY BONDS

Every Saturday the Financial Times publishes a table giving details of Local Authority Bonds on offer to the public.

LONDON POSTAL DISPUTE

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Please telephone John Hole or Susan Spicer to register. MSA (Management Science America) Limited 1-9 Wexham Road, Slough, Berkshire SL1 1TP Telephone: Slough (0753) 70751

Provincial—“greater stability of investment, higher rewards to investors.”



Extracts from the Chairman, Dennis Howroyd's statement to Provincial Building Society's Annual General Meeting.

The market for Building Society services.

LADIES AND GENTLEMEN, in presenting details of the Society's performance to members each year it is normally considered sufficient to confirm, by a demonstration of financial achievement, that we are fulfilling our obligations to investors and borrowers alike.

In a review of the Society's achievements during 1978 I must therefore comment on the lead which Provincial has given in highlighting the problem of the increasing instability of investors' funds, which together with rising house prices...

might ultimately inhibit the progress which societies can make in responding to the unsatisfied demand for owner-occupation.

To sustain an acceptable increase in owner-occupation it is essential to maintain the rate of growth in investors' balances ahead of the rate of inflation in house prices. It is Provincial's view that this cannot be achieved if societies continue to rely upon money which is withdrawable on demand or short notice.

The ratio of withdrawals to receipts has risen steadily over the past 30 years and the actual sum required to meet withdrawals in 1978 was more than seven times greater than that needed in 1970. When this trend is projected forward alongside the rate of inflation in house prices it is obvious that we must take action if we are to avoid the problems of creating an emasculated housing finance industry.

I think it is now accepted that Building Societies, on their own, cannot control house price inflation to any great extent by limiting the supply of mortgage finance. The relationship between rising house prices and rising incomes is the determining factor and this is beyond our sphere of influence.

I do however believe that we can reverse the trend of rising withdrawals and indeed, we have already reduced our...

ratio of withdrawals to well below the level of other societies. We have achieved this greater stability of investment by marketing products which offer higher rewards to private investors who are prepared to leave their money with us for longer periods.

We must retain, as a matter of priority, the strength of our appeal to those investors who put up the bulk of the house purchase finance and whilst this is likely to become more and more difficult in an increasingly competitive financial market, I remain optimistic.

In attracting the longer term funds of the larger private investor we are increasingly in competition with the Government and with Insurance Companies who, by virtue of their favourable tax treatment, can secure funds by offering tax exemption in addition to a competitive return. As more and more investors become subject to higher rates of tax and Investment Income Surcharge, this is becoming a matter of some concern to Building Societies. It may seem somewhat ironic that the Banks should have expressed their desire for fiscal parity with us when much greater advantages are enjoyed elsewhere.

Copies of the statement are available on request from the Secretary at the address below

Provincial Building Society summary results 1978.

Table with 4 columns: Mortgages, Investments, Assets, Reserves and Liquidity, Branch Offices. Rows include Total advances, Investment receipts, Total assets, and Branch offices.

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Metalrax buys Progress bakeware business

BY TERRY OGG

Metalrax (Holdings), a diversified Birmingham-based engineering group, has acquired the Progress label bakeware business plus an agriculture and garden equipment factory in operation through a £1.6m cash purchase of the privately owned George Wilkinson (Burley).

Announcing the deal yesterday, Mr. John Wardle, Metalrax's chairman, said that a move into branded consumer durables had been planned for some time. This will also expand Metalrax's existing operations in North West England and "broaden the base of group activities," he said. The acquisition was completed on Friday and the announcement coincided with the release of Metalrax's annual report.

"Despite the obvious difficulties of the first three months I will be disappointed if the results for the first half of the current year do not show a further improvement over the record results achieved in the first half of 1978," says Mr. Wardle in his annual statement.

Wilkinson's directors have guaranteed profits before tax and directors' emoluments, with £425,000 for the year to March 31. This will add significantly to Metalrax's 1979 figures. Net assets of George Wilkinson were £575,000 a year ago and there was a deferred tax provision of £250,000. These two figures plus the anticipated profit roughly equals the price paid by Metalrax for the company.

The cash required for the purchase will come from Metalrax's own resources. The latest balance sheet shows that £2m in cash was available at year end.

Since then there has been some cash inflow from the first three months' activities leaving about £400,000 to cover an increase in overdraft facilities. Medium and longer term loans at the end of December totalled £356,000.

Mr. Wardle said that Metalrax's pre-tax profit of £2.1m represented a record return of 46.5 per cent on net assets employed and that shareholders funds in the group increased from £3.33m to £4.54m. "Property values are likely to be considerably undervalued in the accounts, as the last valuation was undertaken in 1964," he said.

Armstrong Equip. makes £2.6m purchase

Armstrong Equipment, the automotive products and industrial fastenings group, is paying £2.6m for Howard Tenens Engineering (Willenball), part of Howard Tenens Services.

Financing arrangements have not yet been finalised but Mr. Harry Hooper, chairman of Armstrong, indicated last night that the company would probably use a mixture of shares and cash.

Willenball, which made estimated losses of £800,000 before tax and exceptional items in the ten months to January 27, is only the latest in a long line of Armstrong acquisitions.

Last year the group took over four new companies—Gandi Frictions, formerly a BTR subsidiary, Hillcrest Engineering, Corrocraft, and most recently Anglo-Swiss Holdings—for a total consideration of £4m to £4.5m. Another small acquisition is expected to be announced shortly.

Willenball, which at January 27 had net assets of around £3.4m, makes replacement body parts for vehicles and cabs for commercial vehicles and agricultural tractors.

Armstrong believes it will initially bring in about £11m worth of sales and "will add significantly to the group's press work and assembly capability."

Mr. Hooper said that, although payment is not due until July 3, a substantial contingency reserve had already been pumped into Willenball to cover possible redundancy and other costs.

Last month Armstrong Equipment announced interim profits only slightly better at £4.27m (£4.03m) on sales of £43.9m (£39.4m).

PENTOS INCREASES STAKE IN ELLIOTT PETERBOROUGH

Pentos, the group with interests ranging from garden and leisure products to construction, has increased its recently-acquired stake in Elliott Group of Peterborough, the systems building specialist and contractor, from 8.34 per cent to 10.33 per cent.

Pentos has been buying shares in the group since last November, and it now holds 1,265,000. Most of its earlier 8.34 per cent stake had been purchased at 20p or less.

Elliott's shares yesterday stood at 26p.

NO PROBE

The proposed merger between Inland Financial Company and Cannon Assurance is not to be referred to the Monopolies Commission.

Largs builds up Bright shares

WITHIN two months of mounting a £880,000 agreed cash bid for Ash Splanning, John Bright, the yarn and fabric manufacturer, is itself the target of a bid from a private sale of Man company.

In an announcement yesterday, the private group, Largs, stated that it had built up a stake of 36.4 per cent, which automatically triggers off a bid under the City Code.

In addition, associates of Largs hold a further 2.7 per cent in Bright.

Largs' market purchases over the past 12 months have not topped 85p a share.

"The level values Bright at £4m, but yesterday, after a 1p fall, Bright's market capitalisation was £4.6m.

Bright's board has been in contact with its advisers, Kleinwort Benson, but an announcement has yet been made. Contacts between Largs and Bright seem so far limited to the courtesy of declaring the stake.

Meanwhile Bright's bid for Ash, which has been accepted by Ash's board, is due to close within the next 10 days. It is worth 110p in cash compared with a market price for Ash of 107p.

Marley sells Gomme stake

Building materials group Marley has disposed of its 29.7 per cent stake in Gomme Holdings, the G-plan furniture manufacturer.

The stake of 3,880,440 shares has been placed with a number of institutions. The holding was disposed of on Thursday. Marley's shares last Thursday rose 1p to 75p. Yesterday they were down 2p to 69p.

SNW INVESTMENT

Following the reverse takeover of Brengreen (Holdings) by Empress Services (Holdings), SNW Investment now holds 875,000 shares, or 5.6 per cent of the equity. SNW formerly owned 10 per cent of Empress.

LMI extends Caledonian offer for seven days

BY ARNOLD KRANSORFF

London and Midland Industrial has not received sufficient acceptance to make its intended offer for Caledonian Holdings unconditional, and has decided to extend the offer for a further seven days to April 6.

When the offer closed on Friday, acceptances had been received in respect of 1,418,000 ordinary shares. Taking into account the shares already owned, LMI now controls 43.6 per cent of the ordinary shares of Caledonian.

A spokesman for LMI said yesterday that he thought Caledonian shareholders might be under a slightly cautious what with the Comet Radiovision Services' offer still on the table. "Also, in view of the mail problems we thought we ought to extend," he added.

Caledonian's stake in Comet's share amounting to just under 30 per cent. Comet's offer closed on April 11.

Meanwhile, it is announced that Morgan Grenfell, an associate of LMI, has acquired 5,000 shares in Comet at 120p, 15,000 at 128p and 42,500 at 129p.

MONTEITH

Monteith (Holdings) has purchased the Balrd Lindsay group of plumbers' and builders' merchants for cash.

The current Balrd Lindsay group "has plumbers' and builders' merchants operating from Montrose, Oban, Rutherglen, Kirriemuir and Cupar.

This acquisition strengthens and expands the merchanting subsidiary, Monteith Building Services by creating a builders' and plumbers' merchanting group with national coverage in Scotland. With Monteith currently operating in Kirriemuir (north-east Glasgow), Edinburgh, Glasgow, and a strong group has been formed giving access to 80 per cent plus of the Scottish market.

Monteith (Holdings) are 75 per cent owned by G. Wimpey and Co., and operate a number of subsidiaries, including Monteith Services (Glasgow), Edwin Walter Kirkland (Steel)—light steel fabricators of Dumbarton, and Monteith Do-It-Yourself Superstore of Ballyliston, Glasgow.

the AAgrunol sales and distribution network in the Benelux countries and Germany, plus the field trials farm and facilities at Haren, Holland.

The production unit at Groningen (Holland) will be transferred to Fisons at a later date. The transfer will depend on the granting of a new operating licence and the execution by Akzo Pharma of the possible related investments and improvements at the present location at the Groningen site. Until then Akzo Pharma will be manufacturing the AAgrunol products for Fisons.

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Agnico-Eagle succeeds after hard years

BY KENNETH MARSTON, MINING EDITOR

THE NEWS reported here yesterday that Canada's Agnico-Eagle Mines has declared a first dividend of U.S. 10 cents (4.8p) following a 1978 net income of C\$5.5m (£1.1m) representing a 100 per cent increase. Mr. Paul Penna, chairman, said his unwavering faith in gold and the Joutel township gold property in Quebec that he acquired in 1966 has been put to severe tests during the intervening years of struggle.

In January 1970, shortly before the mine was due to reach the production stage, rising construction costs and falling gold prices brought an abrupt halt to operations. They remained on ice for two years.

Penna, who had spent some C\$8.5m in debt and the C\$1 shares sank to below par after having been up to C\$5.40 in the previous year. But Penna bled his time and in 1972 he merged Agnico Mines, which produces silver at Ontario's famous Cobalt camp, with Eagle Gold Mines to form the present Agnico-Eagle.

Mr. Arria Paulus, General Secretary of the M.W.U., said a strike-bidlet would be held if the Conciliation Board failed to come up with an acceptable compromise. The miners' benefits were suspended after they stayed away from work in protest at the possibility of black workers being promoted to more responsible positions on the mine.

While there is some doubt that a majority of miners would vote for a strike, following the recent defeat, a legal strike on the mines would nevertheless be a considerable embarrassment to the Government. White miners have traditionally supported the ruling National Party, and are deeply embittered at the lack of official support in their latest dispute.

QUEBEC TO AID EXPLORATION

Some measures to encourage the search for minerals are contained in the Quebec budget. Exploration and development expenses incurred after March 27, 1978, on the site of an underground mine, and after it has been brought into production, will be eligible for the allowance of C\$1 for every C\$3 invested in exploration or development.

The provision will not apply to mines from which the principal products are iron or titanium ore previously restricted to on-site exploration and development spending.

The basic exemption of annual profit for purposes of calculating mining duties is to be increased to C\$500,000 from C\$150,000 as of January 1, 1979.

Also the mining duties credit—equal to 15 per cent of an annual loss—may, for losses incurred beginning January 1, 1979, be spread over the four-year period following the loss, instead of over two years.

SHORT LIFE FOR KERR ADDISON

The Kerr Addison gold mine at Virginiatown in Ontario is likely to be mined out within two years. In the annual report, the Kerr Addison directors noted that the current high level of gold prices is unlikely to add significantly to the life of the mine.

The mineable reserves at Virginiatown are estimated at 323,037 short tons, grading 0.37 ounces gold per ton. Kerr Addison is part of the Noranda group, another of whose units, Famous Porcupine Mines, also has a limited life gold property.

After a record 1978, when Famous' net profits reached C\$ 5.2m (£2.16m), ore reserves were down to 2.5m tons, enough for 15 months of production. But Mr. Donald Schmitt, the president, says that accelerated exploration and development programmes could transfer some 4m tons of probable and possible ore to proven reserves within the next two years.

By contrast, Campbell Red Lake Mines, the Ontario gold producer in the Dome group, is to spend C\$ 10.4m on a 30 per cent expansion. There is an advantage in expansion by this percentage; the increased portion becomes regarded as a new mine for provincial tax purposes.

The expansion will be completed by 1982 and will permit mining of lower grade ore. The finance will be internally generated.

STRIKE THREAT ON S.A. MINES

In spite of their defeat in a wildcat strike two weeks ago, South Africa's white mine-workers' Union leaders are threatening to call an official strike if their members' benefits are not reinstated, reports Quintin Peel from Johannesburg.

The Executive Council of the union, representing some 10,000 men in South Africa's major mines, has declared a dispute with the Chamber of Mines over the issue. A Conciliation Board must now be set up by the Government.

Brighter outlook for S. African tin mines

likely tin price trends and is basing projections on average prices some 15 per cent lower in rand terms than last year's R9.827 per tonne.

Even so, following the 1978 pre-tax profit of R14.4m (1977: R9.9m), there is little fear that the 220 cents per share dividend will be cut this year. It puts the shares on an 11.8 per cent yield in Johannesburg at the current price of 1,580 cents.

At the same time Roniber is opening further ore at depth at each of its three operating mines, with reserves sufficient to maintain production until the turn of the century.

The developments at Roniber mean that South Africa should be virtually self-sufficient in metallic tin by the year-end as well as having metal and concentrates for export. Management is cautious on this score.

RECEIVERS SELL McNEILL OFFSHOOT

Receivers of McNeill Group, the Belfast-based construction company, have sold Smyth Mills, one of the group's companies.

The subsidiary is one of the largest structural steel fabricators in Ireland and had a workforce of 141 people.

The joint receivers, Mr. William Fitch and Mr. William Wilson, said yesterday that the Belfast-based physical assets have been sold to Smyth Mills (Ireland), a new company formed to continue the existing business. It is associated with Michaelides Construction, an international contractor.

As a result of the sale 122 jobs are being maintained.

ROUND-UP

Because of its oil exploration interests, Australia's Western Queen is to change its name to Monarch Petroleum. The company also announces the acquisition of four Kimberley mines in South Australia in a region being examined for diamonds, by Broken Hill Proprietary and De Beers.

Stone-Platt Industries 1978 results

Stone-Platt is an international engineering company with world-wide sales of £193m and which employs 13,000 people. The company aims to be a world leader in each of its main products—spinning and texturing machinery, train lighting and air conditioning, marine propellers and specialised pumps.

	From the 1978 report	1978	1977
Sales		£192.8m	£176.0m
Profit before tax		£9.5m	£14.8m
Earnings per share		16.9p	21.3p
Dividend per share		4.06p	3.61p
Return on sales		6.5%	10.0%
Return on capital employed		14.2%	20.9%

1978 was a disappointing year for the company. The problems arose mainly in the Platt Saco Lowell textile machinery division due to:

- some export contracts not being shipped by the year end
- pressure on margins due to depressed trading conditions and the fall in the value of the US dollar
- continuing production problems in the US plant.

The company's unexecuted order book was increased by 34% during the last year, and there are now some signs of an upward trend in demand.

The dividend has been increased by the maximum permitted and has increased every year since 1969.

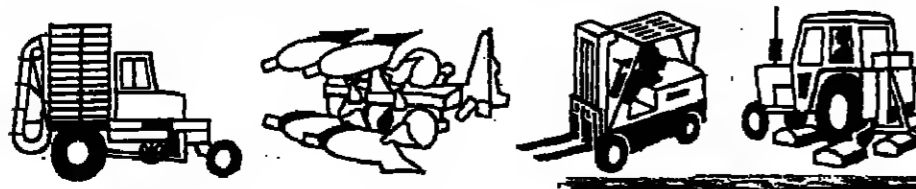
Stone-Platt Industries
10 Grafton Street, London W1

RANSOMES 1978 Results

Pre-tax profit up 14% to £2,572,000
Sales up 11% to £34,405,000
Maximum permitted increase in dividend

RANSOMES SIMS & JEFFERIES LIMITED
Grass Machinery · Farm Machinery · Electric Trucks

Chairman, G. W. Bone refers to good sales prospects, though we are not yet clear of setbacks caused by lorry drivers' strike and hours lost due bad weather... concern continues about effects of cost inflation. Against this background it is extremely difficult to forecast the eventual outcome for the year. However, we are projecting an improvement in 1979 and at this stage I see no definite reason why this cannot be achieved.



HAT forecasts profit of not less than £2.6m

SPECIALIST construction subcontractor HAT Group said yesterday that taxable profits for its financial year just ended—October 28, 1978—will be not less than £2.6m. This compares with £2.1m in the previous financial year.

The details are revealed in HAT's offer document outlining its share and cash deal for Glass and Metal, the glass merchant and mirror makers.

The estimate is based on the unaudited management accounts for the ten months ended December 31, 1978, and on estimates, including for some divisions January 1979 management accounts, for the two months to February 28, 1979.

HAT is planning to pay a final dividend for the year just ended of 0.847p per share, making 1.67p.

It is offering two of its shares plus 7p in cash for each Glass and Metal share. There is an all-cash alternative worth 142p a share.

The directors of Glass and Metal, together with its major shareholder, British and Commonwealth Shipping—controlling between them a near 34 per cent stake—have already accepted HAT's terms.

BACC

Hawker Siddeley and British Aluminium announce that the acquisition by British Aluminium of High Duty Alloys Extrusions has been completed.

British Aluminium intends to continue to operate High Duty as presently constituted under its existing name and use British Aluminium's resources as a major aluminium company to develop the business further.

EAGLE STAR

Shareholders in Eagle Star Insurance Company have given their approval to the scheme of arrangement under which they exchange their holdings for an equal number of corresponding shares in the proposed new holding company Eagle Star Holdings.

Bearer Option Warrants to subscribe for fully paid Ordinary shares of

TRUST HOUSES FORTE LIMITED
offered in March, 1970 with **TRUST HOUSES GROUP FINANCE N.V.**
\$18,000,000 7/4 per cent. Loan 1985

Adjustment of Subscription Price

Trust Houses Forte Limited announces that following the passing of the necessary Ordinary Resolutions on Monday, 2nd April, 1979 a capitalisation issue of Ordinary shares and Trust shares is being made on the basis of one new share for every share held. Holders of Option Warrants, offered with the above loan of Trust Houses Group Finance N.V., are not entitled to participate in the capitalisation issue. However, the price at which each Option Warrant entitles the holder to subscribe for Ordinary shares of Trust Houses Forte Limited has as a result been adjusted in accordance with the formula contained in the Option Agreement dated 2nd April, 1970. Each Option Warrant now entitles the holder, with effect from 9th March, 1979 and at any time not later than 31st March, 1981, to subscribe £50 in cash at 85p per share (the previous subscription price being 171p in shares) for the said Ordinary shares.

Change of Name

Trust Houses Forte Limited also announces that following the passing of the necessary Special Resolutions on Monday, 2nd April, 1979 and subject to the consent of the Department of Trade, the name of the company will be changed to "TRUSTHOUSE FORTE LIMITED". The existing Option Warrants will not be changed in any way.

This notice is given on behalf of the Depository of the Option Warrants, N.V. Administratiekantoor opgericht door Heuring & Porsion en Broekmans Effektenkantoor, and Trust Houses Forte Limited.

Metalrax (Holdings) Limited
An integrated network of engineering companies in England and Wales

Further record results

	1978	1977
Turnover	£7,038	£11,042
Profit before taxation	£2,108	£1,466
Profit after taxation	£1,202	£863

The £2,108m profit before taxation was again a very substantial increase over last year's record figure and shows a return of 46.5% on net assets employed.

Dividends
Under current rulings the Treasury has consented to a recommendation for a final dividend which makes the total for the year almost 30% up on last time.

Shareholders' funds
Shareholders' funds have increased from £3,332m to £4,535m. The book values of our fixed assets are probably rather conservative, as the only valuation of properties was carried out in 1964.

Series issue
A series issue of one ordinary share for every ten held is being recommended.

Growth policy
To enable the uninterrupted growth of the company to continue, a policy of sensible acquisitions must go hand in hand with continuing efforts to improve efficiency and performance of existing companies.

Trading prospects
Despite the difficulties of the first three months of this year the results for the first half of the current year should show a further improvement over the record results achieved in the first half of the year under review.

Copy of the report and accounts from:
The Secretary Metalrax (Holdings) Limited
Ardsley Road Kings Norton Birmingham B38 9PN
Telephone: 021-458 6671

The Scottish Metropolitan Property Company Limited

Interim Statement

	Half year to	Half year to
	15.2.79	15.2.78
	(unaudited)	(unaudited)

Issued Share Capital	£5,564,082	£5,967,348
Net Revenue from Properties	1,688,969	1,384,247
Other Income	113,088	108,851
Group Profit before Taxation	809,542	538,995
Available for Dividend	463,548	312,336
Dividend—Interim	295,384	268,531
Carried to Reserves	168,164	43,804

The Directors have declared an Interim dividend of 0.9p per share (1978 — 0.82p per share equivalent) on an Issued Share Capital of £5,564,082 (1978 — £5,967,348) and are confident that profits for the year ending 15th August, 1979 will materially exceed those of the previous year.

Companies and Markets

UK COMPANY NEWS

Freemans up to £16.8m: sees further advance

ON TURNOVER well ahead at £200.23m, compared with £166.47m, pre-tax profits of Freeman (London SW9) rose 28.2 per cent from £12.06m to £16.83m in the year to January 27, 1979.

At halfway, when profits were up from £5.52m to £7.31m, the directors of this mail order concern said full-year results should be satisfactory.

They are now optimistic of a further advance in the current year, although they say the first weeks have been far from easy. The number of active agents at the year-end was 475,000 (437,000) and recruitment is continuing successfully and to plan, they add, while the new catalogue is larger than before and other improvements continue to be made.

The combination of the drivers dispute and the bad weather, say the directors, brought delays to the issue of catalogues and the receipt of orders and goods. Restrictions on importation, coupled with shortages in much of the textile industry, are affecting normal customer service.

This has been the position since the consumer spending upturn last summer, they add, and owes much to that fact. Its impact can be expected to lessen as industry responds and the increase in spending starts to fall off, they conclude.

Pre-tax profits were struck after lower interest of £502,000 (£694,000). After tax for the year of £8.86m (£8.75m), earnings per 25p share are 11.4p, compared with an adjusted 9.1p. The net total dividend is effectively raised from 1.95(8p) to a maximum permitted 2.56(5p), with a final of 1.51(9p). See Lex

Charles Hurst pays 5.96p

Including £260,993 from the sale of property and redemption of debentures, pre-tax profits of Charles Hurst amounted to £901,498 in 1978 compared with £962,848 previously. Turnover was unchanged at £45.4m. After tax of £413,778 (£304,278) earnings per 25p share are shown at 13.28p against 16.57p. The final dividend is maintained at 3.3p, making 5.96p (same). The Belfast-based group sells and repairs cars and commercial vehicles.

Record new business for Trident Life

Record new business figures for the year to March 31, 1979, are reported by Trident Life Assurance Company, the linked life company member in the Seblesinger Group. Regular premium business rose by more

than 50 per cent to £3.5m, while single premiums advanced by 11 per cent on the year to £14m.

The company's revamped savings plan, personal wealth, launched during the year proved a best seller, while both the maximum investment plans and the self-employed pension contracts were in good demand. In single premiums, the best sales over the first six months were proper, American and gilt funds, but over the year property and gilts were the leaders.

Mr. Alan Roberts, general manager of Trident Life, said that the company had now come of age as a linked-life operation. It had a wide range of plans and funds, it lead the industry in policyholder communication and during the past two years had completed its product range with the launch of the self-employed and executive pension plans. He expected both pensions markets to continue strong and for Trident Life to take an increasing share of new business.

The company markets both through its own direct sales staff and through insurance brokers and financial planners.

H. BRAMMER

H. Brammer announces that acceptances have been received for 2,937,080 ordinary shares representing some 95 per cent of the 3,142,991 offered by way of rights.

The shares not taken up have been sold and the net premium over the offer price, (about 38.2p), will be distributed to shareholders entitled thereto.

Macfarlane more than doubled

ON TURNOVER up £4m to £13.3m, pre-tax profits of Macfarlane Group (Clasman) jumped from £70,858 to a record £1,207,118 for 1978, with £527,000 against £304,000 coming in the first six months.

The group has had a promising start to 1979, with sales and profits in the first quarter up on the same period last year. It has a strong order book in most companies and the directors say the outlook for the rest of the year is encouraging.

The group's principal activities are the manufacture and distribution of packaging, plastics and metallising, specialist printing and office supplies.

A final dividend of 2.188p raises the total net payment from 3.84p to the maximum permitted 4.288p per 25p share, from stated earnings of 10.81p (6.5p). A one-for-four scrip issue is also proposed.

Tax took £810,301 (£159,300), leaving net profits ahead from £411,558 to £696,813.

Six months advance by Town Centre

For the six months to December 31, 1978, profits of Town Centre Securities, property investment and development concern, advanced from £307,442 to £371,280, subject to tax of £193,000, against £135,000.

In the previous full year, the company achieved pre-tax profits of £500,000 and paid a net dividend of 0.608173p, adjusted for a one-for-two scrip issue.

The directors report that the company has completed the purchase of T. Herbert Kaye Estates and Andrews Picture Houses. These own prime location shop properties in the centre of Huddersfield.

While they say there will initially be a shortfall, substantial rent reversions are anticipated over the next few years.

Brycourt payout

Brycourt Investments, the investment trust group with property interests, which went into voluntary liquidation last September, has made a payout to shareholders.

Mr. M. C. Bird, the liquidator, has paid shareholders 5p per share. Together with the first capital distribution of 1.25p per share shareholders have received a total of 13.2p a share.

For capital gains tax purposes the total distribution has been made within the year ended April 5, 1979.

Mr. Bird told shareholders: "The prompt action of your directors in realising the majority of the investments and repaying the multi-currency loan prior to my appointment greatly assisted both the rapid and satisfactory level of distribution. In addition, you have received during the liquidation the second interim dividend of 1.50p per ordinary share."

The liquidator said that he had originally envisaged making the second capital distribution by the end of December 1978, "but regrettably this had to be postponed owing to unforeseen delays in determining the company's taxation liabilities."

James Dickie profit falls

For the year ended October 31, 1978, profit of James Dickie (Drop Forgings) fell from £396,332 to £325,672. Turnover showed a rise of £0.44m to £3.98m.

After tax of £169,760 (£206,612) net profit came out at £155,912 (£18,720), for stated earnings of 8.42p (10.24p) per 25p share.

The final dividend is 2.438p for a net total of 4.908p, against 4.4p.

PRESTIGE GROUP

Prestige Group is to redeem the 5 per cent cumulative preference shares on June 30, 1979 at the issue price of 105p.

Scottish Metropolitan sees big increase

TAXABLE PROFITS of Scottish Metropolitan Property Company increased from £338,995 to £509,042 in the six months to February 15, 1979, on net revenue from properties up from £1.8m to £1.87m.

The directors are confident that full year pre-tax profits will be well above the £1.27m last time. They add that negotiations are in hand for the acquisition of investment properties in Aberdeen, Inverness, Glasgow and Dumbarton totalling £2.8m, part of which will be income-producing during the current year.

In addition, two commercial and industrial projects are to start shortly in Glasgow at a total cost of £1.15m, all payable in cash. Investment income and interest received totalled £118,085 (£108,851). Interest charges and administration expenses were

£550,737 (£848,595) and £122,258 (£105,503), respectively. After tax of £345,494 (£226,960), revenue available came through at £463,548 (£312,335).

The net interim dividend is effectively raised from 0.81818p to 0.9p per 20p share, and absorbs £295,384 (£268,581)—last year's total payment was equivalent to 1.7935p.

Distributable reserves are increased by £139,324 (£108,001) being the surplus realised on property sales over original cost, after tax. The directors explain that the figures do not include any transfer from reserves relating to the development programme which would have amounted to £22,560 (£66,700). They intend to re-examine their treatment in the preparation of the annual accounts.

Winding up orders for 49 companies

Orders for the compulsory winding up of 49 companies were made by Mr. Justice Vinelott in the High Court. They were: Moelfre Craft Kits, Empfort, Saffron Hair Design, Canterford, Moffat Fire Protection, W. J. Little Builders and Brendon's Car Mart. Prestbury Construction Company, Phillips Development (Somerset), Jumbo Contracts (Interiors and Exhibitions), Jelly Records, Cairo Jewels, Multifink and Modern Plan Insulation (West Riding). Malyon Construction, M. L. Coker (Printers), Bromere, A. Voytas and Co., Ian Ross (Contractors), Insight TV Systems, Kirkham Construction and L. and J. Burke.

L and P Construction (Liverpool), PM Taxis, Kimsaw, Allan Blackburn Enterprises (London), Lintagate, Spearhead Transport Services and Automatic Refreshment Services. Wilson Flynn (Radiators), A. Blackburn Agency, Ziffgate, JBA (Carpenters), V. Goldman (Huddersfield), Research Building Materials and Tweedtown. Lemmon and White Shipping and Forwarding, Lennon and White (Southern), Osman Arabic Centre, Carberry, Piers Taylor and Ajax Supplies (Slidcup). St. Clements Estates, Marden-Kane (UK), Mervyn Rutter, Charles Craze, Rrontus Insurance Brokers, Wm. Bannister and Co. and The Portsmouth Theatres.

J. Shakespeare studying areas of potential development

Mr. J. Shakespeare, chairman of Joseph Shakespeare and Co., says that the main part of the installation of plant and provision of new buildings at Salfinal is nearly complete and he is confident that operating efficiency here should now improve.

This move follows the transfer of forging production from the Willenhall works which has been closed. The chairman points out that the completed development means that Salfinal will be able to concentrate on the production of heavier forgings while Old Hill will produce higher-volume smaller forgings.

The chairman feels that the further development of Salfinal should qualify under the Drop Forging Industry Grant Scheme, under which the group has taken the opportunity of reviewing the marketing organisation with the assistance of a leading firm of consultants.

Their report confirms quite a few of the group's own projections but has caused the group to look more closely at several areas in which it could become more involved.

He says that Old Hill has shown its ability to operate profitably in extremely adverse conditions and profits should improve quickly with higher demand. While drop forging still forms the major part of production at Old Hill, the manufacture of fabrications, flame cuttings and

machined parts provides the company with important additional opportunities. These facilities are being gradually extended and it is intended to develop them so that they contribute even more to the profitability of Old Hill.

Ending a run of six years continuing increases in profit the group turned in a loss of £4,000 for 1978 (£0.86m profit) mainly reflecting a downturn at the Willenhall and Salfinal forges. Demand in many departments fell below 50 per cent of capacity.

Meeting, Dudley (West Midlands), April 24 at 12.15 pm.

Elys profits near doubled

From gross sales of £5.53m against £4.78m, pre-tax profits of Elys (Wimbledon) department store, nearly doubled from £17,613 to £310,518 in the year ended January 27, 1979.

The first half saw a recovery from a loss of £9,083 to profits of £41,203 and the directors said that as a result of continuing reduction in interest payable and the opening of several new departments, they were confident that the year's profit would exceed that of the previous 12 months.

Earnings per 25p share are shown as 12.47p against 6.05p

BRAMMER Distributors of bearing and power transmission products... Year ended 31st December 1978 1977... Turnover £000's 31,731 27,405... TRADING PROFIT £000's 5,047 4,226... PROFIT BEFORE TAX 5,470 4,554... Net Profit 3,915 3,060... ATTRIBUTABLE PROFIT 3,840 3,179... Dividends 1,219 614... Earnings per share 17.8p 14.6p

FINANCE FOR INDUSTRY TERM DEPOSITS Deposits of £1,000-£50,000 accepted for fixed terms of 3-10 years. Interest paid gross, half-yearly. Rates for deposits received not later than 12.4.79...

A Modern Bank with Old Tradition. In spite of not very favorable conditions our Bank has been able again to expand its volume of transactions in 1978 and to achieve a fair increase in earnings. Total assets rose from Sfr. 3511 million to Sfr. 4018 million, or by 14.4%. They thus have doubled within four years. Net earnings after depreciation and provisions amounted to Sfr. 16,928,403.15 or to 11.2% more than in the previous year. A dividend will be distributed of Sfr. 80.- per share and of Sfr. 16.- per certificate of participation. More information about the development of our Bank in 1978 is given in our 224th Annual Report, the highlights of which are available in English. Copies will be gladly sent to you on application to our Head Office in Zurich, Switzerland.

A Dutch bank opens in the financial center of America. We Dutch are no strangers in America. We founded its largest city, Nieuw Amsterdam. And now one of Holland's largest banks joins America's international banking community—in the heart of Manhattan—to extend specialized, unique Dutch banking services to all of the United States. The name is Nederlandsche Middenstandsbank n.v., but all you have to remember is NMB.

INTERNATIONAL COMPANIES and FINANCE

NORTH AMERICAN NEWS

Petrofina Canada qualified

MONTREAL—For the third year in a row, the annual report of Petrofina Canada Ltd. included a qualified opinion from its auditors, Clarksons Gordon, Petrofina is 72 per cent owned by Petrofina S.A. of Belgium.

The latest qualification again deals with tax liabilities and refers to 1978. The matter first arose in the company's report for 1976 and has apparently broadened since then.

Clarkson said its opinion of the company's financial statements is subject to final determination of the income tax dispute, in which about \$22.6m is at stake.

As explained in the notes to financial statements, Canada's tax authorities, after examining the transactions with a foreign unit of Petrofina, recently issued notices of reassessment, reducing the costs the company could claim for the years 1970 through 1978.

The Petrofina management "strongly disagrees with the reassessments, which appear to be contrary to a longstanding reached... in respect of prior taxation years."

The company said it has paid about \$2.9m of the reassessed liability and is contesting the reassessment. It added that a provision has not been made in its accounts to reflect the potential increase in the provision for Federal taxes and that the amount of \$319.1m is included as "income tax recoverable."

Separately, the company's treasurer said an objection has been filed with Canada's tax authorities.

Thomson family amends Bay terms

BY ROBERT GIBBENS IN MONTREAL

THE THOMSON family appears to be determined to retain some stake in the Hudson's Bay Company. Yesterday morning the two Thomson Toronto based holding companies which on March 1 offered C\$31 per share for 51 per cent of the Bay shares increased the offer to C\$35.

The Thomson companies also said the offer in cash would apply to 60 per cent of the Bay shares outstanding, which would cover 13.8m shares. However, the new bid is not conditional on the deposit of any minimum number of shares.

If less than 60 per cent of the Bay shares are deposited, then all shares tendered would be taken up. If more than 60 per cent are deposited, then the Thomson family would accept on a pro rata basis up to 13.8m shares, or they may elect to purchase more.

The original bid, which was to expire on April 6, has now been extended until April 9.

Last week, the Thomson interests gave the impression they were not willing to increase the original C\$31 offer. The two Thomson private holding companies concerned are Woodbridge Company and Thomson Equitable (International) Ltd.

Late last week, the George Weston food processing and distribution group based in Toronto offered C\$40 a share for 51 per cent of the Bay stock, with the alternative of preferred stock or a mixture of cash and

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Boise Cascade boosts spending

BY JOHN WICKS IN ZURICH

CAPITAL expenditure totalling \$2.3bn is to be made in the coming five years by Boise Cascade Corporation, the U.S. paper and building materials group.

The chairman, Mr. John B. Fery, forecast a continued rise in sales, earnings, dividends, and return on equity over the period. Last year, the undertaking had increased earnings to a record

\$135.7m (\$115.6m), or C\$5.02 (C\$4) per share, after sale of C\$2.57bn (C\$2.31bn). Outside analysts believe per share profits could reach some C\$6.50-C\$7 by 1983.

The new five-year investment programme, which follows one of C\$1.2bn completed in 1978, is to be financed from cash flow, with some additions of new debt. While fixed rate long-term debt

will be sought as appropriate, existing short-term inter-mediate financial arrangements will satisfy Boise Cascade's needs for some time to come.

The Idaho-based company sees no need, said Mr. Fery, to seek additional equity capital. Within the 1979-83 spending plan, some 56 per cent will be invested in the paper business. Boise Cascade, which reckons with growth of some 2-3 per cent annually for the period in paper and paper/board business, intends to expand here at a rate in excess of the industry average.

Apart from the \$1.3bn expenditure in the paper sector, the company is to spend \$340m in wood products manufacture and \$130m in timber and land acquisitions. In both fields, the stress will be in growth in the Southern States. A further \$230m will go on packaging and office products distribution, optimising capacities and finding new uses for composite cases, and \$280m in building materials conversion and distributions.

RESULTS IN BRIEF

Baker Industries loss cut

NEW YORK—Baker Industries, the chemical fertiliser group, has reduced its fourth quarter loss from \$1.31m or \$2.74 a share to \$979,000 or 78 cents a share. Net loss for the full year amounted to \$14.45m or \$1.26 a share, against \$30.32m.

Sharply higher profits are reported by mail order group Gamble-Skogmo, the fourth quarter net rising from \$8.23m or \$1.74 a share to \$13.94m or

\$3.18 a share. This lifts net earnings for the year from \$9.76m or \$2.02 a share to \$23.22m or \$5.15 a share.

Among departments stores, Marshall Field raised fourth quarter earnings from \$1.04 to \$1.35 a share, but Associated Dry Goods, while earning more in the fourth quarter, saw its net per share for the year drop from \$3.13 to \$2.55.

Agenies

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Optimism at Goodyear

BY FRANCIS GIBBS

AKRON—Goodyear Tyre and Rubber expects an improvement in first quarter earnings at a pace that will "undoubtedly accelerate" if contract talks with the United Rubber Workers are settled peacefully.

Dr. Charles J. Pilkod Jr, the chairman, said at the annual meeting. Goodyear will spend about \$400m on capital improvements this year, capital spending was previously projected at about \$410m.

Agecies

United Technology's and Carrier Corporation have agreed in principle on terms of a merger under which Carrier will become a wholly owned subsidiary of United, Reuter reports from Syracuse, United owns about 49 per cent of Carrier's voting securities, acquired in a cash tender offer and market purchases. Under the agreement, each Carrier share will be exchanged for one share of a new convertible preferred stock of United.

EUROBONDS

Turnover rises to record

TURNOVER in the Eurobond market rose to a record \$33.55bn during the first three months of the year for a level of \$28.07bn during the same period last year, according to the combined settlement figures of the two Eurobond settlements systems, Euroclear and Cedel.

The large number of issues floated during February, and the increase in the number of institutions making a market in Eurobonds, are among the factors which helped to swell the turnover figure.

The most active sector of the Eurobond markets yesterday was the sterling one. Prices rose by up to half a point, with the recent issue for FTI closing at 103½. There was speculation that the Chancellor of the Exchequer would announce a cut in the Minimum Lending Rate in his Budget speech today. This would allow coupons on sterling denominated bonds to be cut, and might tempt some corporate borrowers into issuing sterling bonds.

In the dollar sector the \$20m convertible for Galveston Houston started its first day of trading on a very strong note, it closed at 101½-102½, having touched 101½ earlier in the day. Elsewhere the market was quiet, with prices up a point on the day where they changed.

The price of the Esselte convertible has moved up since last week and was quoted at 98½ yesterday.

In the Deutsche-Mark sector, prices were slightly off on the day in thin trading. The RENFE issue, which was priced at 99½ last Friday, got off to a disappointing start, being quoted at around 97½ by the lead manager, Westdeutsche Landesbank.

In its first day of trading the French franc issue for Solvay was quoted at 99½. It had been priced at 100½ by the lead manager Banque de l'Union Europeenne last Friday.

He said developments in the first quarter had been promising and added that earnings in the shipping sector, which pulled down last year's result, could be expected to improve this year, especially for the company's fleet of bulk and product carriers.

Mr. Pugh said that a Dkr 4.9bn fall in sales last year to Dkr 18.5bn was largely due to the fact that the Nigerian company B. T. Briscoe was no longer included in the group accounts as the company now only had a minority holding. Moreover, the strong Danish kroener meant that 90 per cent of group sales when converted to kroner showed a reduced figure compared with 1977. After allowing for these two factors sales were more or less unchanged compared with 1977.

The East Asiatic Company traditionally has had close ties with China and Mr. Pugh said that developments in China were now showing rapid changes. "The increase in China's international trade can be seen in the longer term have a positive impact on the economy of the Far East and perhaps on the world economy as a whole. For East Asiatic develop-

ments in China have already begun to bear fruit after many years of effort, said Mr. Pugh.

VALMET, the Finnish state-owned conglomerate with interests in shipbuilding, heavy engineering and transport, increased its turnover and profits in 1978 and expects strong growth again in the current year.

Parent company turnover rose by 5 per cent to FM 1.73bn (\$445m) in 1978, while group sales including the affiliates Datasab-Valmet (computers), Saab-Valmet (cars) and Scania Auto (car sales), improved by 7 per cent to FM 3.69bn.

After tax and the maximum permissible depreciation, the parent company booked a profit of FM 72m, up 80 per cent on the 1977 profit of FM 40m. It expects to increase by 300 per cent dividends on Preference shares and transferred FM 7m to the reserve fund.

Valmet had orders on hand valued at FM 2.63bn at the end of 1978, about the same total as at the end of the previous year. Orders for forest industry machinery stood at a record level and included seven paper machines and several major rebuilding projects. Turnover is expected to increase by about a third in the current year.

The company is expanding its international business. It has a tractor factory in Brazil and is now negotiating with Volvo of Sweden on co-operation in producing a new tractor model in Finland in the 1980s.

Italcementi capital changes planned

BY RUPERT CORNWELL IN ROME

BERGAMO-based financier, Sig. Carlo Pesenti, is planning to change the shareholding structure of his Italcementi master company to ensure he retains control of his banking, industrial and insurance empire after the complicated reorganisation currently in progress.

The latest scheme, which will go before an extraordinary meeting of Italcementi shareholders on May 12, will permit up to half the 1,400m capital to be converted into preferential, so-called "savings" shares.

These shares will no longer enjoy voting rights, but in return will be granted a higher remuneration than the remaining ordinary stock with full voting rights.

Assuming the scheme is endorsed, holders of the "savings" shares will receive a dividend of 1,850 (\$1.02) while a payment of only 1,700 will be made on existing stock. Net Italcementi earnings were last year climbed to L4.5bn (\$7.7m) from L3.3bn, after depreciation of L31.5bn.

The neatness of the plan is that by inducing existing owners of voting shares to switch to non-voting stock, the 37 per cent of Italcementi now believed to be in Sig. Pesenti's hands could become in practice an unassailable majority.

If the maximum of 50 per cent of Italcementi shares were "neutralised" in this way, Sig. Pesenti's stake would be transformed into as much as 74 per cent of eligible voting stock making it impossible for any rival to build up a comparable shareholding to challenge him. This consideration is at present of great importance, since the Bergamo financier is in the middle of an intricate operation which is expected to lead to the elimination of cross-holdings within the group.

Italcementi shareholders are currently being offered stock in Italmobiliare, an Italcementi subsidiary which controls Sig. Pesenti's substantial banking and insurance holdings, on a one-for-two basis at L10,000 per Italmobiliare share.

However, until the new scheme announced at the weekend, the risk existed that in the process of trading in Italmobiliare rights there could be created of incoherence and possibly threatening rival blocks in Italmobiliare, which by dint of its assets, is much the most attractive part of the Italcementi group.

These assets include complete ownership of Banca Provinciale Lombarda and Istituto Bancario Italiano (IBI), a 41 per cent stake in RAS, Italy's second largest insurance group, a quarter share in the Falck private steelmaker and 64 per cent of Franco Tosi, the electrical engineering concern. Together they have been valued at L1,000bn or more.

East Asiatic forecasts upturn this year

BY HILARY BARNES IN COPENHAGEN

DENMARK'S East Asiatic Company expects higher profits this year, Mr. Mogens Pugh chief executive said in 1978.

He said developments in the first quarter had been promising and added that earnings in the shipping sector, which pulled down last year's result, could be expected to improve this year, especially for the company's fleet of bulk and product carriers.

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Swiss building material groups in merger talks

BY JOHN WICKS IN ZURICH

TWO SWISS companies associated with the construction industry, Sika Finanziar and Uniker Holding, are considering a merger. This is likely to take the form of reciprocal stock acquisition, and talks are expected to be completed by the summer.

Sika Finanziar is the parent company of the Sika group, which specialises in chemicals for the building industry and had a group turnover of Swf 2,485m in 1977 (\$149.1m). Uniker, whose operations are concentrated on sound insulants, had sales for the same year of Swf 230m.

however, been affected negatively by the appreciation of the Swiss franc and the reform of German corporation taxes. In all, Intershop expects a profit similar to the Swf 3,845m booked for the 1977-78 financial year.

The stress of Intershop's activities in the past year was on the further expansion of the company's position in the U.S. It is stated in a prospectus for the listing in Zurich, Basel and Geneva of 100,000 new bearer shares. Apart from three additional neighbourhood shopping centres, two regional shopping centres were taken into the Intershop portfolio. The Wilhelmstrasse-based holding company Intershop NV, a joint venture of Intershop and Bank Centrale AG, has sold one stake plus to the success of purchasing another U.S. unit.

The Intershop new share issue, of "A" series priority stock, excludes existing shareholders' subscription rights. It includes a guarantee of conversion of the \$24m convertible bond loan of Intershop Overseas Finance (Curacao).

seven will be in London. According to Eurex, the London market makers will be White Wald Securities, Westdeutsche Landesbank, Bankers Trust International, Ross and Partners, Akroyd and Smithers, Bank Julius Baer International, and IBI International.

So far, according to Eurex, some 60 banks and investment banks of various nationalities have indicated that they will be using Eurex either as a market maker or as a "user" of its services. The management is confident that the June 5 deadline for the start of live trading can be met.

Eurex starts test run

BY OUR EUROMARKETS STAFF

THE Luxembourg-based computerised trading system for international bonds started its formal tests yesterday. The trading network is scheduled to become fully operational on May 5.

In the second half of April the Interbank market — Kreditbank, Barings, Citibank, and Banque Internationale — will start feeding prices into the system. This preliminary run will be expanded to include other market makers on May 14.

There will then be 12 market makers feeding prices into the system on a trial basis of which

MEXICO'S STATE OIL COMPANY

Pemex makes a move downstream

BY WILLIAM CHISLETT IN MEXICO CITY

PEMEX, the State-owned oil monopoly which is the pivot of the fast expanding Mexican economy, has reported a trade surplus for 1978 of 35bn pesos (\$1.5bn). The value of exports, mainly crude oil, was up 42 per cent on 1977 to \$1.8bn and imports of petroleum and some petrochemical products were \$300m, according to the annual report.

Last year was another resoundingly successful one for this giant monopoly which employs about 100,000 people. Its exports represented almost 30 per cent of Mexico's total foreign exchange earnings. This year, Pemex forecasts that exports will be worth \$3.5bn, or 28 per cent of exchange earnings.

The average volume of crude oil exported per day in 1978 was 365,000 barrels, an 80 per cent increase over 1977, with the U.S. taking 80 per cent of this. The other customers were Israel, France, Spain, Canada and Japan.

The average daily production of crude, condensed gas liquids during 1978 was 1.3m barrels, 244,029 barrels more

per day than in 1977. Production reached 1.5m b/d last December and will reach a maximum of 1.8m b/d this December for a daily average this year of about 1.7 b/d. Exports should average about 672,000 b/d this year.

Proven hydrocarbon reserves at the year end were 40bn barrels (26.4bn of crude and condensate, and 11.7bn of natural gas equivalent) and probable reserves 45bn and potential 200bn. British proved reserves are 19bn barrels and Saudi Arabia's 167bn. No further increase in the reserves has been reported since then, although unofficially proved reserves are now put at over 60bn barrels.

The bulk of the increased production came from the southern zone, which produced 83 per cent of the "black gold". This area, in the states of Tabasco and Chiapas, is where much of the exploration is being carried out.

Last year, Pemex finished drilling 306 wells of which 173 are said to be productive, a high success rate. This year Pemex aims to perforate 400 wells, 359 of them land based and 50 of

them in the Gulf of Mexico. Last year, more seismological investigations were carried out in marine areas than in the previous 20 years.

Offshore production is starting later this year for the first time. The production of natural gas reached a daily average of 2,560 cubic feet. According to Pemex, only 7 per cent of the natural gas production was flared last year because of the

installation of 43 new compression units. Observers, however, believe that the figure is far higher, probably 15 per cent, and that as oil production increases so will the flaring of the gas, unless domestic uses rises as is planned, or the gas is exported.

In March, the 16bn pesos (\$727m) natural gas pipeline linking Cactus in the southern oil field to San Fernando in the industrial north, was inaugurated. This will lead to

less gas being flared. The U.S. and Mexico are to reopen negotiations on the sale of natural gas. Talks for the sale of gas to the U.S. broke down at the end of 1976. If a sale goes ahead, which seems possible given Pemex's desire to increase oil production and not waste natural gas by having to flare it, then the cost of the pipeline could quickly be recovered.

The cost of the pipeline and the ever increasing expansion programmes pushed Pemex's net debt up to 33bn pesos (\$1.4bn) last year. Pemex borrowed 51.3bn pesos (\$2.25bn) last year from foreign and domestic creditors. 56 per cent more than in 1977, and it paid off debts worth 18.5bn pesos (\$822m).

Investment totalled 62.7bn pesos (\$3.7bn), 76 per cent more than in 1977, of which Pemex was able to finance a good proportion from its own funds. Pemex's own revenue from foreign and domestic sales

increased by 44 per cent in 1978 to 113bn pesos (\$5.1bn). Expenditure including operating costs, investment and debt interest, was 164.4bn pesos (\$7.4bn).

There was less satisfying news concerning refining output; this increased by only 5.5 per cent over 1977, which is limiting the value of foreign sales. Exports at the moment are almost exclusively of crude oil and not of the more profitable petroleum products. However, this problem should be solved when the recently opened Cadereyta refinery starts operating at full capacity. The new refinery has a capacity of 235,000 barrels of crude a day compared with 82,000 for all the refineries.

Basic petrochemical production is surging ahead and is a highly promising new area. Total output last year was 5.7 tonnes, 37 per cent more than in 1977 with 11.5bn pesos (\$522m). Pemex is still having to import some basic petrochemicals and petroleum products, but, on present performance, the day when Mexico will be self-sufficient in this sector as well as in oil is not far off.

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We bank on growth in South East Asia.

A full-service

Losses at French electrical engineer

THE LARGE French electrical engineering company Compagnie Electro-Mechanique made a loss of FF 41.1m (\$8.5m) in 1978, after provisions for depreciation of FF 54.2m.

As previously announced, group consolidated sales increased by some 12 per cent to FF 3,955m last year.

Banque Worms setback Banque Worms, a private bank, experienced a sharp fall in net earnings for 1978.

TANDBERG OF NORWAY

The government takes a hard line

NORWAY'S Minister of Industry has put a pistol to the head of the team of executives now trying to create a new, viable company out of the ruins of the recently bankrupt Tandberg.

At the end of last week—less than two months after the Storting (Parliament) voted to provide Nkr120m (\$24m) of new capital to finance Tandberg's restructuring—Mr. Olav Hankvick, the Minister, told the new company's management that it must find private enterprise partners willing to take a majority shareholding.

This means that the fledgling Tandberg Industries—the new company's name—must find outside investors willing to put up just over \$3m. It has until the second half of this month to find the cash.

The Minister's sudden decision has staggered Tandberg Industries' leaders. They had made some contacts already with prospective investors, mainly abroad.

New Mercedes investment detailed by Daimler-Benz

DAIMLER-BENZ plans to invest around DM1.5bn (\$355m) over the next few years on equipping its plant in Bremen for production of the planned "small Mercedes" car.

This will form part of the overall investment programme of DM1.6bn for 1979-83 approved by the supervisory board last month.

Blichr says the Board believes it will be able to meet the Minister's deadline if it must, because "our new company is attractive to investors."

A satisfactory volume of new orders has been coming in. Negotiations are in hand, with the receivers of the old Tandberg for the purchase of the plant and equipment owned (to date it has been re-leased on a lease that runs to July 1).

Dutch Cabinet considers further aid for RSV

THE DUTCH Cabinet met yesterday for more talks on the future of the new shipbuilding activities of Rijn-Schelde-Verolme (RSV).

West German government bond to raise DM1bn

THE WEST GERMAN government is to step back into the long term bond market after the absence of more than three months. It is to raise DM1bn (\$220m) through the issue of six and 10-year bonds.

Israeli news

Industrial division boosts Clal

CLAL—Israel's largest investment company, which has interests in some 180 enterprises—has reported a 152 per cent increase in its net profit for 1978 to ILS422m (\$20.8m), from ILS175.4m in 1977.

Bank opposition to mortgage scheme

THE General Mortgage Bank—Israel's oldest mortgage institution—raised its net profit for 1978 to ILS111.6m (\$5.3m).

Email hits at stock exchanges

EMAIL—the Australian white goods manufacturer—yesterday blamed lack of action by the stock exchanges for "unrealistic prices" paid in the market for control of the Adelaide-based appliance maker Kelyvinator Australia.

At the same time, Email failed to respond to a request from the Sydney Stock Exchange that it extend a takeover offer to all Kelyvinator shareholders, and skirted around another exchange request for details of Email dealings in Kelyvinator.

Abercom rights issue

ABERCOM, the diversified South African engineering group, is to raise R10.2m (\$12.07m) through a rights issue of 6.06m shares at a price of 200 cents a share.

Fashion chain ahead

FOSCHINI, the South African fashion store chain with 425 outlets nationwide, has reported a 13.5 per cent turnover increase to just short of R100m (\$118.34m) for the year to December 31, 1978.

Liberty Life confident

LIBERTY LIFE, South Africa's third largest life insurer, is confident that its 10-year growth record will be maintained.

Central American Bank for Economic Integration (CABEI)

Central American Bank for Economic Integration (CABEI) is a floating rate U.S. Dollar negotiable certificate of deposit due 3rd April, 1981.

Bank opposition to mortgage scheme

THE General Mortgage Bank—Israel's oldest mortgage institution—raised its net profit for 1978 to ILS111.6m (\$5.3m).

Sappi to improve in current year

SAPPI—the South African newspaper, packaging paper and fine paper manufacturer—is looking for a major improvement in its results for 1979, according to Mr. Eugene van As, the managing director.

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US\$20,000,000 Floating Rate U.S. Dollar Negotiable Certificate

THE SANWA BANK LIMITED LONDON

Merrill Lynch International Bank Limited Agent Bank

Central American Bank for Economic Integration (CABEI)

US \$20,000,000 Floating Rate Serial Notes due 1994

For the six months 3rd April, 1979 to 3rd October, 1979

In accordance with the provisions of the Notes, notice is hereby given that the rate of interest has been fixed at 11% per annum, and that the interest payable on the relevant interest payment date, 3rd October, 1979 against Coupon No. 1 will be U.S. \$575.05

The Industrial Bank of Japan, Limited Agent Bank

FT INTERNATIONAL BOND SERVICE

The list shows the 200 best international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published in the second Monday of each month.

Table with columns for various bond categories including U.S. Dollar Straights, Other Straights, Floating Rate Notes, Convertible Bonds, Swiss Franc Straights, and Yen Straights. Each category lists specific bond issues with their corresponding prices and yields.

CURRENCIES, MONEY and GOLD

Dollar & pound very firm

The U.S. dollar made sharp gains against most major currencies in yesterday's foreign exchange market, but finished slightly below its best levels. This was probably a reflection of profit taking later in the day, although a number of central banks were engaged in trying to suppress the dollar's upward movement. Against the D-mark it finished at DM 1.8335, having touched DM 1.8370 at one point, and compared with Friday's close of DM 1.8360. Similarly the Swiss franc lost ground to the US unit and closed at SwFr 1.7030 against SwFr 1.6950 previously. The Japanese yen was also weaker as continuing uncertainty over the oil situation undermined market confidence. The yen finished at ¥211.80 from ¥209.70. Using Bank of England figures, the dollar's index rose to 52.2 from 51.9. Sterling improved against major European currencies although against the dollar the rise was considered less. It opened at \$2.0745-2.0750, its best level for the day, and eased on dollar demand to \$2.0650. However, interest in the pound 500 pushed up the rate to \$2.0690 where it traded for most of the day. The Bank of England intervened from time to time although not on a large scale, and sterling closed at \$2.0670, a rise of 15 points, to a trade weighted basis, the pound's index closed at 55.5, its best level since January 1978, and compared with 56.1 on Friday.

THE POUND SPOT AND FORWARD

Table with columns: Day's spread, Close, One month, Three months, Six months. Rows include U.S., Canada, Belgium, Denmark, Ireland, W. Ger., Portugal, Spain, Italy, Norway, France, Sweden, Japan, Austria, Switz.

THE DOLLAR SPOT AND FORWARD

Table with columns: Day's spread, Close, One month, Three months, Six months. Rows include UK, Ireland, Canada, Netherlands, Belgium, Denmark, W. Ger., Portugal, Spain, Italy, Norway, France, Sweden, Japan, Austria, Switz.

WORLD VALUE OF THE POUND

Large table with columns: PLACE AND LOCAL UNIT, VALUE OF £ STERLING. Rows list various countries and their currencies, such as Afghanistan (Afghan), Albania (Lek), Algeria (Dinar), Angola (Kwanza), Argentina (Arg. Peso), Australia (Aust. Dollar), Austria (Schilling), Azores (Escudo), Bahamas (Bah. Dollar), Bangladesh (Taka), Bahrain (Dinar), Barbados (Bds. Dollar), Barbados (Bds. Dollar), Belgium (Franc), Benin (C.F.A. Franc), Bermuda (Bds. Dollar), Botswana (Botswana Pula), Botswana (Botswana Pula), Brazil (Cruzado), Brunei (Brunei Dollar), Bulgaria (Lev), Burma (Kyat), Burundi (Burundi Franc), Cameroon (C.F.A. Franc), Canada (Canadian Dollar), Canary Islands (Spanish Peseta), Cape Verde (Escudo), Cayman Islands (Cay. Dollar), Cent. African Rep. (C.F.A. Franc), Chad (C.F.A. Franc), Chile (Peso), China (Ranminbi Yuan), Colombia (C. Peso), Congo (Congo Franc), Congo (Congo Franc), Costa Rica (Costa Rican Colon), Cuba (Cuban Peso), Cyprus (Cyprian Pound), Czechoslovakia (Koruna), Denmark (Danish Krone), Djibouti (Djibouti Franc), Dominica (D. Dollar), Dominican Rep. (D. Dollar), Ecuador (Ecuadorian Dollar), Egypt (Egyptian Pound), Equatorial Guinea (Equatorial Guinean Dollar), Ethiopia (Ethiopian Birr), Falkland Islands (Falkland Dollar), Faroe Islands (Danish Krone), Fiji (Fiji Dollar), Finland (Finnish Markka), France (French Franc), French Guiana (C.F.A. Franc), French Polynesia (C.F.P. Franc), Gabon (C.F.A. Franc), Gambia (D. Dollar), Germany (East) (East German Mark), Germany (West) (West German Mark), Ghana (Cedi), Gibraltar (Gibraltar Pound), Gilbert Islands (Australian Dollar), Greece (Drachma), Greenland (Danish Krone), Grenada (Grenada Dollar), Guadeloupe (Local Franc), Guam (U.S. Dollar), Guatemala (Guatemalan Quetzal), Guinea (Guinean Franc), Guinea-Bissau (Guinean Escudo), Guyana (Guyanese Dollar), Haiti (Haitian Gourde), Honduras (Honduran Lempira), Hong Kong (H.K. Dollar), Hungary (Forint), Iceland (Icelandic Krona), India (Indian Rupee), Indonesia (Indonesian Rupiah), Iran (Iranian Rial), Iraq (Iraqi Dinar), Israel (Israeli Sheqel), Italy (Italian Lira), Ivory Coast (C.F.A. Franc), Jamaica (Jamaican Dollar), Japan (Yen), Jordan (Jordanian Dinar), Kenya (Kenyan Shilling), Korea (N. Korea) (N. Korean Won), Korea (S. Korea) (S. Korean Won), Kuwait (Kuwaiti Dinar), Laos (Lao Kip), Lebanon (L.L. Dollar), Lesotho (A. African Rand), Liberia (Liberian Dollar), Libya (Libyan Dinar), Liechtenstein (Swiss Franc), Luxembourg (Luxembourg Franc), Macao (Portuguese Escudo), Madagascar (Malagasy Franc), Malawi (Malawi Kwacha), Malaysia (Malaysian Ringgit), Maldives (Maldivian Rufiyaa), Mali (Mali Franc), Mauritania (Mauritanian Ouguiya), Mauritius (Mauritian Rupee), Mexico (Mexican Peso), Micronesia (C.F.A. Franc), Mongolia (Mongolian Tugrik), Mozambique (Mozambican Escudo), Myanmar (Myanmar Kyat), Nauru (Australian Dollar), Nepal (Nepalese Rupee), Netherlands (Dutch Guilder), Netherlands Antilles (Antillean Guilder), New Zealand (N.Z. Dollar), New Zealand (N.Z. Dollar), Nicaragua (Nicaraguan Cordoba), Niger (Niger CFA Franc), Nigeria (Niger CFA Franc), Norway (Norwegian Krone), Oman (Omani Rial), Pakistan (Pakistan Rupee), Panama (Panamanian Balboa), Papua New Guinea (Papua New Guinean Dollar), Paraguay (Paraguayan Guaraní), People's Rep. of Yemen (Yemeni Dinar), Peru (Peruvian Sol), Philippines (Philippine Peso), Pitcairn Islands (New Zealand Dollar), Poland (Zloty), Portugal (Portuguese Escudo), Port Timor (Timor Escudo), Principe Island (Principe Escudo), Puerto Rico (U.S. Dollar), Qatar (Qatari Riyal), Romania (Romanian Leu), Romania (Romanian Leu), Rhodesia (Rhodesian Dollar), Rwanda (Rwandan Franc), St. Christopher (St. Christopher Dollar), St. Helena (St. Helena Pound), St. Lucia (St. Lucian Dollar), St. Pierre (St. Pierre Franc), St. Vincent (St. Vincent Dollar), Samoa (Samoa Tala), Sao Tome (Sao Tome Escudo), Saudi Arabia (Saudi Riyal), Senegal (Senegalese Franc), Sierra Leone (Sierra Leone Leone), Singapore (Singapore Dollar), South Africa (South African Rand), South West African (South West African Dollar), Spain (Spanish Peseta), Sri Lanka (Sri Lankan Rupee), Sudan (Sudanese Pound), Suriname (Surinamese Dollar), Swaziland (Swaziland Lilangeni), Sweden (Swedish Krona), Switzerland (Swiss Franc), Syria (Syrian Pound), Taiwan (New Taiwan Dollar), Tanzania (Tanzanian Shilling), Thailand (Thai Baht), Tonga (Tongan Pa'anga), Tonga (Tongan Pa'anga), Trinidad (Trinidad Dollar), Turks and Caicos (Turks and Caicos Dollar), Uganda (Ugandan Shilling), United States (U.S. Dollar), Uruguay (Uruguayan Peso), U.S. Virgin Islands (U.S. Dollar), U.S. Virgin Islands (U.S. Dollar), Venezuela (Venezuelan Bolivar), Vietnam (Vietnam Dong), Virgin Islands (U.S. Dollar), Western Samoa (Western Samoan Tala), Yemen (Yemeni Dinar), Yugoslavia (Yugoslav Dinar), Zaire (Zairean Zaire), Zambia (Zambian Kwacha).



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CURRENCY RATES

Table with columns: Bank, Special Drawing Rights, European Currency Unit, Mar. 30, Bank of England, Morgan Guaranty. Rows include Sterling, U.S. Dollar, Canadian Dollar, Australian Dollar, New Zealand Dollar, Danish Krone, French Franc, German Mark, Japanese Yen, Hong Kong Dollar, Italian Lira, Norwegian Krone, Swedish Krona, Swiss Franc.

OTHER MARKETS

Table with columns: Apr. 2, Note Rates. Rows include Argentina, Australia, Brazil, Canada, Denmark, France, Germany, Hong Kong, Italy, Japan, Korea, Malaysia, New Zealand, Norway, Singapore, South Africa, Sweden, Switzerland, Taiwan, Thailand, United Kingdom, USA, West Germany, Yugoslavia.

EXCHANGE CROSS RATES

Table with columns: Apr. 3, Pound Sterling, U.S. Dollar, Deutschmark, Japanese Yen, French Franc, Swiss Franc, Dutch Guilder, Italian Lira, Canadian Dollar, Belgian Franc. Rows include Pound Sterling, U.S. Dollar, Deutschmark, Japanese Yen, French Franc, Swiss Franc, Dutch Guilder, Italian Lira, Canadian Dollar, Belgian Franc.

EURO-CURRENCY INTEREST RATES

Table with columns: Apr. 2, Sterling, U.S. Dollar, Canadian Dollar, Dutch Guilder, Swiss Franc, West German Mark, French Franc, Italian Lira, Asian \$, Japanese Yen. Rows include Short term, 1 month, 3 months, 6 months, One year.

INTERNATIONAL MONEY MARKET

German short-term interest rates eased yesterday, after moving up sharply on Friday. The firmness before the week-end reflected the rise of 1 per cent in the Bundesbank discount rate and Lombard rate, to 4 per cent and 5 per cent respectively. During March overnight money was steady between 4 per cent and 4.50 per cent, with one-month money around the same level, and three-month and six-month slightly higher, but still under 5 per cent. Thursday's rise in central bank rates partly to reduce foreign exchange outflows, resulted in a rise to 5.20-5.40 per cent in call money in the interbank market on Friday, restoring the recent differential over the discount and Lombard rates, while longer term rates moved up in line. Yesterday, call money fell to 5.00-5.20 per cent, one-month to 5.10-5.20 per cent, three-month to 5.15-5.35 per cent, six-month to 5.30-5.50 per cent, and 12-month to 5.50-5.80 per cent. Paris day-to-day money rose to 8 1/2 per cent from 8 per cent, but other rates were unchanged, with one-month at 6 1/2 per cent; three-month at 7 1/2 per cent; six-month at 7 1/2 per cent; and 12-month at 7 1/2 per cent. BRUSSELS—One-month money was unchanged at 7 1/2 per cent, and three-month at 7 1/2 per cent. Six-month funds were quoted at 7 1/2 per cent, compared with 7 1/8 per cent, and 12-month at 7 1/8 per cent. AMSTERDAM—Call money rose to 7 1/2 per cent from 7 1/8 per cent, while one-month and three-month were unchanged at 7 1/2 per cent. Six-month money was quoted at 7 1/2 per cent, compared with 7 1/8 per cent previously. HONG KONG—The money market was easy in the morning, but tight in the afternoon, with call money at 11 per cent, and overnight at 10 1/2 per cent.

UK MONEY MARKET

Bank of England Minimum Lending Rate 13 per cent (Since March 1, 1979). The authorities gave a small amount of assistance to the London money market yesterday by buying Treasury bills from the discount houses, even though day-to-day credit appeared to be in good supply. At one time it was thought that the Bank of England might sell bills to absorb a small surplus. Banks brought forward moderate surplus balances from Friday, and the market was also helped by a fairly large surplus of Government disbursements over revenue payments to the Exchequer. On the other hand there was a very small net take-up of Treasury bills, a small rise in the note circulation, and repayment of the moderate amount borrowed on Friday. Discount houses paid 12 1/2 per cent for secured call money in the early part, but closing balances were taken at 7 1/8 per cent. In the interbank market overnight loans commanded 12 1/2 per cent, and ranged between 12 1/2 per cent for the most part, before closing at around one per cent. Rates in the table below are nominal in some cases.

INTERNATIONAL MONEY MARKET

Gold showed little movement in the London bullion market yesterday and closed at \$239 1/2, a rise of \$1 an ounce. The metal opened at its high for the day of \$240 1/4 and was fixed at the morning at \$240 1/2. AMSTERDAM—Call money rose to 7 1/2 per cent from 7 1/8 per cent, while one-month and three-month were unchanged at 7 1/2 per cent. Six-month money was quoted at 7 1/2 per cent, compared with 7 1/8 per cent previously. HONG KONG—The money market was easy in the morning, but tight in the afternoon, with call money at 11 per cent, and overnight at 10 1/2 per cent.

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LONDON MONEY RATES

Table with columns: Apr. 2 1979, Sterling Certificate of deposit, Interbank, Local Authority deposits, Local Authority negotiable bonds, Finance House deposits, Company Deposits, Discount market, Treasury Bills, Eligible Bank Bills, Fine Trade Bills. Rows include Overnight, 7 days, 14 days, One month, Two months, Three months, Six months, One year, Two years.

NEW YORK RATES

Table with columns: Paper Rate, Treasury Bills, Treasury Bills (26-week), GERMANY, Overnight Rate, One month, Three months, Six months, FRANCE, Overnight Rate, One month, Three months, Six months, JAPAN, Discount Rate, Treasury Bills, JAPAN Discount Rate.

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amro bank in Jakarta. Amsterdam-Rotterdam Bank NV. Representative Office: 80 Jalan Imam Bondjoi P.O. Box 2196. Telephone 50500. Telex 44114. Head Offices: 595 Herengracht, Amsterdam. Telex 11006. 119 Coolsingel, Rotterdam. Telex 22211. London Branch: 29-30 King Street, London EC2V 8EQ. Telex 887139.

BANCA NAZIONALE DELL'AGRICOLTURA S.p.A., Rome. 1978 RESULTS. Banca Nazionale dell'Agricoltura's net profits at 31.12.78 were Lit 15,541,915,301 (£9,004,585) after appropriations to Reserves which raised the Bank's own assets by Lit 37,212,856,618 (£21,560,172) to Lit 163,247,496,571 (£94,581,400). The Board of Directors has decided to recommend to the A.G.M. to be held in Rome on the 30th April next a same again 50% dividend of Lit 175 for each share of Lit 350 payable on 2nd May 1979. The A.G.M. will also consider a proposal to raise the Bank's share capital by Lit 12,000 million (£6,952,491) to Lit 36,000 million (£20,857,474) through an issue of 24 million new shares (one scrip issue plus one new share at nominal Lit 500 for each four old shares owned) effective 1.1.79. The A.G.M. will be asked to consider further appropriations to Reserves which should bring Banca Nazionale dell'Agricoltura's own assets over the Lit 169,000 million mark (almost £98,000,000). The Board of Directors noted that in 1978 total deposits reached Lit 7,500,000 million (£4,345,307,068) + 33.8% on 1977, of which customers' deposits of Lit 5,000,000 million (£2,896,871,379) + 23.2% on 1977. Ordinary customers' loans were in excess of Lit 3,100,000 million (£1,796,060,351) + 17.1% on 1977.

BUSINESS AND INVESTMENT OPPORTUNITIES

READERS ARE RECOMMENDED TO TAKE APPROPRIATE PROFESSIONAL ADVICE BEFORE ENTERING INTO COMMITMENTS

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CHARTERHOUSE. Charterhouse Development Limited, 1 Paternoster Row, St. Pauls, London EC4M 7DH. Telephone 01-248 3999. A member of The Charterhouse Group.

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BUSINESSES FOR SALE. Current year profit forecast £30,000+ (30%-40% in hard currency export earnings). A captive profit-making service subsidiary for a large industrial/trading group...

Businesses For Sale Appear Every Tuesday and Wednesday. HOTELS AND LICENSED PREMISES. HIGHLY PROFITABLE 33-BEDROOM NORTHERN ISLANDS HOTEL.

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WAREHOUSING and DISTRIBUTION COMPANY. Private Company with ample resources seeks control of and preferably complete acquisition of company in warehousing and distribution.

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HELP FOR YOUR BUSINESS? Capital & Financing, Marketing & Sales, Production Management, Management Accounting, Human Resources, Overseas Business.

INVESTMENT OPPORTUNITIES. Each month Venture Capital Report describes 5-10 investment opportunities. The March issue contains the following: 1. Car trailer/dishy £12,000, 2. Casino operating company £40,000, 3. Modular housing kit £100,000, 4. Film Service company £92,000, 5. Hang gliders £50,000, 6. Vehicle refrigeration £30,000.

DOWNTOWN MANHATTAN OFFICES AT OUT-OF-TOWN PRICES. Professional representation and full office facilities in the United States could cost you far less than you think in our modern New York City suite.

FAR EAST. Are you buying or selling? Do you have problems? Perhaps we can help you! A Singapore trading company with wide experience throughout the area can assist a law UK companies.

CHINA. City Traders with long established connections in China and sole import representative for many products, has a director with over 12 years' personal contacts visiting Kwangchow Trade Fair again in April.

STRONG MANAGING DIRECTOR (54) available due to take-over. Wishes to apply strong marketing, financial background in interesting and challenging role. Rel: DA.

FIBREGLASS COMPANY. Manufacturing high-quality mouldings to Lloyd's standards has spare capacity. Strong research and development department. Immediate openings on construction sections, car bodies, yachts, housing of all types at highly competitive prices.

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IMMEDIATE TURNING CAPACITY. Comprehensive range of machines up to 2in. dia. and 15ft. barrow centres. Conventional, copying and engraving areas. Work carried out to a high standard. N.O.D. approved.

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LICENCE. Offered to manufacture and market highly developed patented laboratory micro ports (lexer). An ideal product for a precision engineering company requiring their own production and already involved in automatic handling and assembly equipment.

15 NON TRADED COMPANIES FOR SALE. end available for immediate transfer. Best individual offer or for all sectors. TEL: ADRIAN ROMAN 01-408 1611 ext. 41.

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PROFESSIONAL CONSORTIUM after office facilities. WCI reception, boardroom and secretarial services. Separate office accommodation address. Phone 01-637 9671.

APPOINTMENTS

Changes at Reed Paper & Board

REED PAPER AND BOARD (UK) has regrouped its manufacturing units under three divisional managing directors to replace the product group structure. The managing directors and their divisions are: Mr. Len Massam, newsprint and packaging papers; Mr. Gilbert Pike, boards; and Mr. Eric Jackson, printings, writings and wallpapers.

Mr. Robert Napier has been appointed chairman and managing director of UEL, Ultra Electronic Holdings, a subsidiary of the Dowty Group following the retirements of Lord Orr-Ewing OBE as chairman and Mr. E. D. Birch, managing director of UEL, Lord Orr-Ewing who has been chairman of UEL since 1966.

Mr. Michael Good has been made managing director of H. CLARKSON CONSTRUCTION INSURANCE BROKERS. Mr. Conrad M. Owen has been appointed managing director of H. Clarkson (Overseas).

Mr. G. A. H. Palfreyman has been elected a director of CHAMBERLAIN'S SHIPPS. He is managing director of the Shoe Components Division, and is also responsible for four of the overseas subsidiaries.

Mr. Brian Appleton, deputy chairman of the Petrochemicals Division of Imperial Chemical Industries, has joined the Board of TOXIDE GROUP. Mr. A. W. Clements has resigned his directorship of Toxide on appointment as financial director of ICI.

Mr. D. E. Harrison has been appointed finance director of SCHLESINGER INVESTMENT MANAGEMENT SERVICES and of Schlesinger Trust Managers. Mr. I. P. Forsyth has been made a director of Schlesinger Investment Management Services.

Mr. C. G. H. Foster has been appointed managing director, Witton Site Coordination, for DMI. He has also been appointed chairman of two DMI companies, John Wilkinson and Sons (Salley) and J. F. Ratcliff (Metals).

Mr. Robert Hague, company secretary, and Mr. F. B. Wright, deputy chairman of the steel division, have been appointed to the main Board of NEEPSND.

Mr. Jeremy Lancaster, who has become a regional director of the Birmingham and West Midlands regional Board of Lloyds Bank, is chairman of TOMKINSONS CARPETS, not Tomkins Carpets as reported last Thursday.

Following a re-organisation of the group, Sir Alexander Durrant, Mr. Stanley Field and Mr. Jack Hollingshead have retired as non-executive directors from the



Mr. D. J. Kingsbury

Mr. D. J. Kingsbury since 1966, continues as a non-executive director of the Dowty Group. Mr. E. D. Birch will remain a director of UEL until his retirement at the end of September. Mr. Kingsbury, a director and deputy chief executive of the Dowty Group, is appointed chairman of the main subsidiaries of UEL, Ultra Electronic Controls, Ultra Electronic Components, Ultra Electronic Data System, Bridport Printed Circuits, and to the Boards of the overseas subsidiaries.

Mr. Alan B. Brooker, managing director of the EXCHANGE TELEGRAPH COMPANY (HOLDINGS) (Extel), has been appointed to the additional position of deputy chairman. Mr. R. St. J. Barksdale, chairman and chief executive of Mercantile House Holdings, and Dr. R. Bright, chief executive of the Associated Biscuit Manufacturers, have become non-executive directors of Extel.

Mr. A. Victor Adey, chairman of Mercantile Credit Company, has been appointed a director of BARCLAYS BANK INTERNATIONAL. He ceases to be a member of the Board of Barclays Bank UK Management. Mr. S. G. Errington, managing director of Mercantile Credit Company, has been appointed a director of Barclays Bank UK Management. Mr. Michael Morris is a divisional general manager of Barclays Bank, has been seconded to Barclays Bank International as a general manager of Barclays National Bank. Mr. Geoffrey Milligan, an executive local director of the London northern district of Barclays Bank, has been appointed divisional general manager of the bank's property division. Mr. R. W. Salt has been appointed an assistant director of Barclays Insurance Services Company with responsibility for life and pensions business.

Mr. N. C. Craddock and Mr. J. Kelly have also been appointed assistant directors and will be based in London and Bristol respectively.

WORLD STOCK MARKETS

Companies and Markets

Nuclear mishap cuts Dow 10 points at noon

INVESTMENT DOLLAR PREMIUM... Coal, an alternative power source, attracted buying too.

Trading activity in Norway Energy continued and it was the most active issue off at \$20.

Switzerland Swiss shares were depressed by renewed weakness in the bond market.

Australia The Harrisburg nuclear power station accident with nuclear-related issues falling.

Germany Frankfurt shares were depressed by the Harrisburg power station accident.

Hong Kong Hong Kong share prices closed easier on the continued weakness of the local currency.

Amsterdam Dutch share prices closed narrowly mixed in very quiet trading.

Brussels Belgian share prices were mixed to mostly higher.

Tokyo Tokyo share prices were mixed to mostly higher.

Stockholm Stockholm share prices were mixed to mostly higher.

Canada Canadian stock market's were sharply lower in noon trading.

Milan Italian stocks fell sharply in slightly less active trading.

Paris The Paris Bourse resumed trading after a strike that began on February 26.

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Indices

NEW YORK - DOW JONES

Table with columns for Mar. 30, Mar. 29, Mar. 28, Mar. 27, Mar. 26, Mar. 25, High, Low, and % Change. Includes Industrial, Transp., and Utilities indices.

STANDARD AND POOR'S

Table with columns for Mar. 30, Mar. 29, Mar. 28, Mar. 27, Mar. 26, Mar. 25, High, Low, and % Change. Includes Industrial and Composite indices.

FRIDAYS ACTIVE STOCKS

Table listing active stocks from various markets including Australia, Belgium, Denmark, France, Germany, Hong Kong, Italy, Japan, and Singapore.

BASE LENDING RATES

Table listing base lending rates for various banks and locations including A.B.N. Bank, Allied Irish Banks, Amro Bank, etc.

EUROPEAN OPTIONS EXCHANGE

Table listing European options exchange data for various contracts and dates.

BRUSSELS/LUXEMBOURG

Table listing Brussels/Luxembourg market data including price, price change, and dividend yield.

AMSTERDAM

Table listing Amsterdam market data including price, price change, and dividend yield.

TOKYO

Table listing Tokyo market data including price, price change, and dividend yield.

Vertical text on the right edge of the page, including 'World of... wanted' and 'INSURANCE'.



Companies and Markets

World olive oil pact drafted

GENEVA—A 33-nation conference here has drafted a new, more extensive international agreement to promote trade in olive oil after ten days of negotiations, a U.N. spokesman said.

Disruption threatens UK butter and cheese trade

BY CHRISTOPHER PARKES

THERE IS growing concern in the British dairy industry that the delicate balance in the cheese market could be upset this year by further price rises, falling consumption and an expected increase in home production and imports from Continental creameries.

Producers raise coffee estimates

By Our Commodities Staff

THE AMOUNT of coffee available for export from the world's main coffee producers in the 1978-79 crop year will be about 58.8m bags, according to International Coffee Organisation figures.

Quick action needed to avoid scarcity

BY BRIJ KHUNDARIA IN GENEVA

SEVERE SHORTAGES of both natural and synthetic rubber are likely in the 1980s if producers fail to take key investment decisions soon.

Tea sale postponed

By Our Own Correspondent in Calcutta

THE FIRST auction of the new tea marketing season, scheduled for yesterday, was postponed until further notice pending clarification by the West Bengal Government of whether the 10 per cent turnover tax levied in this year's State Budget was applicable to tea handled by brokers or auctioneers.

Zaire denies copper cutback

BY JOHN EDWARDS, COMMODITIES EDITOR

ZAIRE HAS again firmly denied strong market rumours that it is about to declare force majeure on its copper export contracts.

UK nickel and platinum cheaper

By Our Commodities Editor

A CUT in the sterling price for nickel, effective from yesterday, has been announced by International Nickel.

Pessimism in U.S. over sugar policy

WASHINGTON—The Carter Administration's policy advisers are increasingly pessimistic about the chances for quick Congressional enactment of a new domestic sugar programme and Senate ratification of the International Sugar Agreement (ISA) before the June 30 deadline, reports Reuter.

BRITISH COMMODITY MARKETS

BASE METALS

Commodity	Unit	Price
Copper	£/ton	2,100.00
Aluminium	£/ton	1,100.00
Zinc	£/ton	1,000.00
Lead	£/ton	1,000.00

Tin price rise sought

BY WONG SULONG IN KUALA LUMPUR

MALAYSIA SAID it would present proposals for an upward revision of tin prices at the International Tin Council meeting in London to July.

UK nickel and platinum cheaper

By Our Commodities Editor

A CUT in the sterling price for nickel, effective from yesterday, has been announced by International Nickel.

Australia reluctant to join wheat pact

WASHINGTON—Australia is reluctant to become involved in a pact of major wheat producing nations, Mr. Douglas Anthony, Deputy Prime Minister and Minister for Trade and Resources said yesterday.

INSURANCE BASE RATES

Property Growth	12%
Vanishing Guarantee	10.50%

WILL 'SOFTS' BOOM NEXT?

And will you be ready?

IN 1979, METALS HAVE BEEN BOOMING. What are the chances of coffee, sugar and other soft commodities doing the same?

CCST Commodities Ltd

WALSINGHAM HOUSE, 36 SPETHING LANE, LONDON EC2N 4AR. TELEPHONE: 01-480 8921.

GRAINS

Commodity	Unit	Price
Wheat	£/ton	100.00
Barley	£/ton	80.00
Oats	£/ton	70.00

COCOA

Commodity	Unit	Price
Cocoa Beans	£/ton	1,500.00

WOOL FUTURES

Commodity	Unit	Price
Wool	£/lb	1.00

RUBBER

Commodity	Unit	Price
Rubber	£/ton	1,000.00

EUROPEAN MARKETS

Commodity	Unit	Price
Wheat	£/ton	100.00
Barley	£/ton	80.00

MEAT/VEGETABLES

Commodity	Unit	Price
Meat	£/ton	1,000.00
Vegetables	£/ton	1,000.00

OUR CLIENTS APPRECIATE THE REWARDS COMMODITY INVESTMENT OFFERS - DO YOU? Bache Halsey Stuart 1979

LONDON STOCK EXCHANGE

Gilts respond to hopes of Minimum Lending Rate cut Equities firm despite lack of institutional support

Account Dealing Dates
Opinion
*First Declared Last Account Dealings

Trades were much reduced from the higher levels of last week and included frequent small orders on public account

Traded options market fell to 1.016 compared with Friday's 1.791 and last week's daily average of 2.906

appointment with the preliminary results, and profit-taking after recent strength left falls of 6 and 15 respectively in Raters, 80p, and MFI Furniture

Macfarlane pleases
Miscellaneous
Industrial leaders saw no follow-through to early support and consequently drifted lower

even keel with the leaders closing marginally higher on balance. Prices came up promptly a gain of 3 to 165p in Slough Estates, and one of a penny to 74p in British Land

FINANCIAL TIMES STOCK INDICES
Table with columns for various stock indices (Government Sec., Fixed Interest, Industrial, Gold Mines, etc.) and their values for different dates.

HIGHS AND LOWS S.E. ACTIVITY
Table showing high and low prices for various stocks and their activity in the South East region.

Oil leaders better
Despite a rather low level of business, the oil leaders traded on a firm note

NEW HIGHS AND LOWS FOR 1979
Table listing new high and low prices for various securities in 1979.

RISES AND FALLS YESTERDAY
Table showing the percentage changes in various stock prices from the previous day.

LONDON TRADED OPTIONS
Table showing details of traded options including option type, price, and volume.

1979 Highs and Lows
From today, the changeover has been made from 1978-79 to current year high and low in the FT Share Information Service

Pancontinental weak
Mining markets began the week on a subdued note with interest at minimal levels

Options
Britannia Arrow, Coral Leisure, Premier Oil, Jovell Ryan

FT-ACTUARIES SHARE INDICES

Table of FT-Actuaries Share Indices showing various equity groups and sub-sections with their respective values and changes.

THE QUEEN'S AWARDS FOR EXPORT AND TECHNOLOGY
Advertisement for the Queen's Awards for Export and Technology, featuring a large graphic and text describing the awards.

RECENT ISSUES

Table of Recent Issues including Equities, Fixed Interest Stocks, and Active Stocks with their respective prices and changes.

MONTHLY AVERAGES OF STOCK INDICES
Table showing monthly averages for various stock indices from March to December.

FIXED INTEREST PRICE INDICES
Table showing fixed interest price indices for various government securities and other instruments.

AUTHORISED UNIT TRUSTS

Table of financial data for various unit trusts, including columns for fund names, managers, and performance metrics.

INSURANCE AND PROPERTY BONDS

Table of financial data for insurance and property bonds, including columns for company names, policies, and financial details.

OFFSHORE AND OVERSEAS FUNDS

Table of financial data for offshore and overseas funds, including columns for fund names, managers, and performance metrics.

NOTES

THE M&G YEAR BOOK 1979. The M&G Group Ltd. Three Crosses, Tower Hill, London EC3A 5JF. Tel: 0779 2200. Please send me a FREE copy.

FT SHARE INFORMATION SERVICE

FOOD, GROCERIES—Cont.

BRITISH FUNDS

Table of British Funds with columns for Name, Price, Dividend, and Yield. Includes 'Shorts' (Lives up to Five Years) and 'Five to Fifteen Years'.

AMERICANS

Table of American Stocks with columns for Name, Price, Dividend, and Yield. Includes 'Over Fifteen Years'.

UNDATED

Table of Undated Stocks with columns for Name, Price, Dividend, and Yield.

INTERNATIONAL BANK CORPORATION LOANS

Table of International Bank Corporation Loans with columns for Name, Price, Dividend, and Yield.

COMMONWEALTH & AFRICAN LOANS

Table of Commonwealth & African Loans with columns for Name, Price, Dividend, and Yield.

LOANS

Table of Loans with columns for Name, Price, Dividend, and Yield.

FOREIGN BONDS & RAILS

Table of Foreign Bonds & Rails with columns for Name, Price, Dividend, and Yield.

BONDS & RAILS—Cont.

Table of Bonds & Rails with columns for Name, Price, Dividend, and Yield.

AMERICANS

Table of American Stocks with columns for Name, Price, Dividend, and Yield.

CANADIANS

Table of Canadian Stocks with columns for Name, Price, Dividend, and Yield.

BANKS AND HIRE PURCHASE

Table of Banks and Hire Purchase with columns for Name, Price, Dividend, and Yield.

BANKS & HP—Continued

Table of Banks & HP with columns for Name, Price, Dividend, and Yield.

BEERS, WINES AND SPIRITS

Table of Beers, Wines and Spirits with columns for Name, Price, Dividend, and Yield.

BUILDING INDUSTRY, TIMBER AND ROADS

Table of Building Industry, Timber and Roads with columns for Name, Price, Dividend, and Yield.

BANKS AND HIRE PURCHASE

Table of Banks and Hire Purchase with columns for Name, Price, Dividend, and Yield.

CHEMICALS, PLASTICS—Cont.

Table of Chemicals, Plastics with columns for Name, Price, Dividend, and Yield.

DRAPERY AND STORES

Table of Drapery and Stores with columns for Name, Price, Dividend, and Yield.

ELECTRICAL AND RADIO

Table of Electrical and Radio with columns for Name, Price, Dividend, and Yield.

CHEMICALS, PLASTICS

Table of Chemicals, Plastics with columns for Name, Price, Dividend, and Yield.

ENGINEERING—Continued

Table of Engineering with columns for Name, Price, Dividend, and Yield.

ENGINEERING MACHINE TOOLS

Table of Engineering Machine Tools with columns for Name, Price, Dividend, and Yield.

FOOD, GROCERIES, ETC.

Table of Food, Groceries, Etc. with columns for Name, Price, Dividend, and Yield.

INDUSTRIALS (Miscel)

Table of Industrials (Miscel) with columns for Name, Price, Dividend, and Yield.

Table of Food, Groceries, Etc. with columns for Name, Price, Dividend, and Yield.

Table of Hotels and Caterers with columns for Name, Price, Dividend, and Yield.

Table of Industrials (Miscel) with columns for Name, Price, Dividend, and Yield.

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Handwritten signature or mark at the bottom of the page.

INDUSTRIALS—Continued

Table listing various industrial companies with columns for stock price, change, and other financial metrics.

INSURANCE—Continued

Table listing various insurance companies with columns for stock price, change, and other financial metrics.

PROPERTY—Continued

Table listing various property-related companies with columns for stock price, change, and other financial metrics.

INVESTMENT TRUSTS—Cont.

Table listing various investment trusts with columns for stock price, change, and other financial metrics.

FINANCE, LAND—Continued

Table listing various finance and land-related companies with columns for stock price, change, and other financial metrics.

NOMURA The Nomura Securities Co. Ltd. Japan's leader in international securities and investment banking.

MINES—Continued AUSTRALIAN

Table listing Australian mining companies with columns for stock price, change, and other financial metrics.

TINS

Table listing tin-related companies with columns for stock price, change, and other financial metrics.

COPPER

Table listing copper-related companies with columns for stock price, change, and other financial metrics.

MISCELLANEOUS

Table listing miscellaneous companies with columns for stock price, change, and other financial metrics.

GOLDS EX-S PREMIUM

Table listing gold-related companies with columns for stock price, change, and other financial metrics.

NOTES

Notes and financial information regarding various companies and market conditions.

LEISURE

Table listing leisure-related companies with columns for stock price, change, and other financial metrics.

MOTORS, AIRCRAFT TRADES

Table listing motor and aircraft trade companies with columns for stock price, change, and other financial metrics.

SHIPPING

Table listing shipping-related companies with columns for stock price, change, and other financial metrics.

SHOES AND LEATHER

Table listing shoe and leather companies with columns for stock price, change, and other financial metrics.

SOUTH AFRICANS

Table listing South African companies with columns for stock price, change, and other financial metrics.

TEXTILES

Table listing textile companies with columns for stock price, change, and other financial metrics.

NEWSPAPERS, PUBLISHERS

Table listing newspaper and publishing companies with columns for stock price, change, and other financial metrics.

PAPER, PRINTING ADVERTISING

Table listing paper, printing, and advertising companies with columns for stock price, change, and other financial metrics.

TOBACCOS

Table listing tobacco companies with columns for stock price, change, and other financial metrics.

TRUSTS, FINANCE, LAND

Table listing trusts, finance, and land companies with columns for stock price, change, and other financial metrics.

PROPERTY

Table listing property-related companies with columns for stock price, change, and other financial metrics.

OILS

Table listing oil companies with columns for stock price, change, and other financial metrics.

OVERSEAS TRADERS

Table listing overseas trading companies with columns for stock price, change, and other financial metrics.

RUBBERS AND SISALS

Table listing rubber and sisal companies with columns for stock price, change, and other financial metrics.

TEAS

Table listing tea companies with columns for stock price, change, and other financial metrics.

Sri Lanka

Table listing Sri Lankan companies with columns for stock price, change, and other financial metrics.

MINES CENTRAL RAND

Table listing Central Rand mining companies with columns for stock price, change, and other financial metrics.

EASTERN RAND

Table listing Eastern Rand mining companies with columns for stock price, change, and other financial metrics.

FAR WEST RAND

Table listing Far West Rand mining companies with columns for stock price, change, and other financial metrics.

O.F.S.

Table listing O.F.S. companies with columns for stock price, change, and other financial metrics.

FINANCE

Table listing finance companies with columns for stock price, change, and other financial metrics.

REGIONAL MARKETS

Table listing regional market data for various areas.

DIAMOND AND PLATINUM

Table listing diamond and platinum companies with columns for stock price, change, and other financial metrics.

CENTRAL AFRICAN

Table listing Central African companies with columns for stock price, change, and other financial metrics.

INSURANCE

Table listing insurance companies with columns for stock price, change, and other financial metrics.

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CRANE FRUEHAUF SERVICE TO THE TRANSPORT INDUSTRY

Election candidates security tightened

By Philip Rawstorne and Michael Cassell TOUGHER security measures are being taken to ensure the highest possible level of protection for party leaders...

REACTOR ACCIDENT DEPRESSES WALL STREET

Selling hits N-power stocks

BY DAVID LASCELLES IN NEW YORK

THE NUCLEAR accident in Pennsylvania sparked heavy sales of nuclear power-related stocks on Wall Street yesterday. Trading in five stocks had to be halted temporarily...

The Nuclear Regulatory Commission has taken over from Metropolitan-Edison, operators of the plant, the prime role in attempting to shut down the reactor...

Metropolitan-Edison, whose responsibilities Senator Hart said were "to its stockholders", has come under criticism for allegedly suppressing and downplaying developments in the Three Mile Island saga...

THE LEX COLUMN Poor visibility for Ocean

Index rose 1.4 to 532.2



Strip out losses on ship sales and Ocean Transport and Trading's second half pre-tax profits are more than double those of the first half. The parent company, after earlier losses, just about broken even in the second six months...

the money supply, but at the same time domestic bank lending has been rising too fast. It is a matter for argument whether lower interest rates would discourage inflows more than they would further stimulate bank lending.

U.S. hauliers lock out Teamsters

BY JOHN WYLES IN NEW YORK

MOST OF the major U.S. road haulage companies were shut down yesterday at the start of potentially the most damaging industrial confrontation in the U.S. since the miners' strike last year.

A week ago, the Council on Wage and Price Stability indicated that 24 per cent was the policy limit. Late on Saturday, however, the Teamsters' Union representing 300,000 truck drivers, insisted on adding to the package...

members for a national shut-down, which it claimed would be defensive. By locking out the teamsters, the employers hope to thwart the union's bid to divide their ranks...

Honda likely partner for BL

BY KENNETH GODDING, MOTOR INDUSTRY CORRESPONDENT

HONDA, third largest Japanese car manufacturer, emerged last night as the company most likely to link with BL. It is understood to be negotiating with BL for a licence to produce cars in Britain.

Eventually the National Enterprise Board, BL's major shareholder, and the Government would have to approve any joint ventures. Mr. Varley also confirmed that BL is to receive a further cash injection from the NEB, of some £150m.

Lufthansa in £400m Airbus deal

By Michael Donns, Aerospace Correspondent

LUFTHANSA, the West German airline, has placed a firm order with Airbus Industrie for 25 of the new A-310 European Airbus, worth £400m (DM 1.5bn), and has also taken options on a further 25.

Weather

UK TODAY MOST of England, Wales and Ulster will be cloudy with outbreaks of rain. Sleet or snow in places especially over high ground. Max 8C (46F).

More price rises on the way

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

MORE MANUFACTURING companies plan to raise prices in the next four months than at any time for almost two years, say forecasts in the Confederation of British Industry's monthly industrial trends survey today.

The position has gradually worsened since September, mainly because of increased oil and other commodity prices, and the impact of the national insurance surcharge. Companies are reporting that, though wages are not rising much faster than a year ago, they are raising prices to offset increased costs of production and distribution in the recent lorry-drivers' strike.

Pound

against the dollar, 3 cents lower than sterling. The strength of sterling was matched by a further rise in the price of gilt-edged stock—up around 3 of a point for both short- and longer-dated stock.

OPEC surcharge

crude is now \$17.10 a barrel, which includes a surcharge of \$1.80 over its scheduled OPEC price. The new price represents an increase of 13 per cent over the first quarter price (including surcharge) and a 29 per cent increase over the level charged in the final quarter of last year.

'COMPUTERS EAT MONEY' 'Ours only eat work' say KIENZLE High Speed Invoicing, Sales/Purchase and Nominal Stocks, Payroll, Automatic Ledger Control, Management Figures. All so simple on the KIENZLE 2000 Office Computer.

Table with 2 columns: City, High/Low/Change. Includes cities like Alicante, Amman, Athens, Beirut, Berlin, Bonn, Bristol, Brussels, Bucharest, Cairo, Cardiff, Cologne, Copenhagen, Corfu, Dublin, Frankfurt, Glasgow, Hamburg, Helsinki, Hong Kong, Innsbruck, Istanbul, Jerusalem, London, Lyons, Madrid, Manila, Mexico City, Milan, Moscow, New York, Osaka, Paris, Rome, Seoul, Singapore, Stockholm, Taipei, Tel Aviv, Tokyo, Toronto, Vancouver, Vienna, Zurich.

With an earlier contract from Swissair for 10 A-310s with an option on 10 more, and a letter of intent from Air France for five, the A-310 is now firmly launched. Belgium hopes to participate in manufacture of the A-310, and a new company, Belairbus, has been set up at Goselies near Charleroi. Two-thirds of his initial capital of \$1.8m has come from the Belgian Government and one-third from private sources.